

OFFICE OF ECONOMIC DEVELOPMENT

ANNUAL REPORT FOR FISCAL YEAR 2014-2015

I. MISSION STATEMENT

The Office of Economic Development (OED) works in partnership with the community to create economic opportunities towards the development of a healthy, stable and balanced economy of the County of Kauaʻi.

II. DEPARTMENT GOALS

The Office of Economic Development strives to support current businesses and diversify Kauaʻi's economy by providing opportunities for development of new businesses.

OED's goals will be achieved with collaboration of business, government and community sectors.

The objectives of this Office are:

1. Assist businesses of all sizes, emerging industries and organizations in providing technical and financial support, as feasible, in an effort to provide full employment for all of Kauaʻi's residents.
2. Utilize the Guiding Principles of the Kauaʻi Economic Development Plan – Comprehensive Economic Development Strategy (CEDS) to help improve Kauaʻi's economy over the next 10 years:
 - *Economic Diversification:* To strengthen selected industry clusters to minimize dependence on a single industry
 - *Economic Self-Sufficiency:* To minimize imports and promote import substitution
 - *Economic Opportunity for all:* To offer an appropriate K-20 education and adequate training opportunities to give workers choices and to promote living wages

III. PROGRAM DESCRIPTION

OED, as a government entity, interfaces with business and community leaders, as well as other government agencies and programs, to enhance Kauaʻi's economic development opportunities. OED is responsible for providing technical and financial support, as feasible, to businesses of all sizes and emerging industries, in an effort to provide full employment for all of Kauaʻi's residents.

OED is also responsible for collecting data and maintaining statistical information and reports, to be used as a library resource for individuals, businesses and organizations. The general public is provided access information and links to data on the County's website and limited materials, documents and publications in the OED library. In addition, publications on Federal and State grants, loans or tax incentives are also available.

To carry out the functions of OED, six sections are managed by staff specialists, under the supervision of a director, in the areas of sustainability, agriculture, tourism, film, energy, workforce development, and through special grants to specific economic development projects. Each section's duties and responsibilities are directed toward accomplishment of the agency's overall mission.

One administrative specialist, economic specialist, and accountant, provides support to the director and the six specialists.

ADMINISTRATION

A. Objectives

The Administrative function of OED is carried out primarily by the Director, supported by the Administration Specialist. The Director oversees the department and directly supervises nine staff members. In addition to supporting the Director, the Administration Specialist works with the Economic Development Specialist to support the six staff specialists to varying degrees.

With the retirement of two "seasoned veterans" with 20+ years of employment in the department, we celebrate their accomplishments and contribution to the County of Kaua'i. Moving forward, the OED Director will assume the Agriculture Specialist duties and the current Energy Specialist will assume the responsibilities of the Sustainability Specialist.

Although the main emphasis for the Office of Economic Development is on working with businesses and the community to create and maintain job opportunities for Kauai residents, the OED Director is involved with small businesses, either through the Kauai Chamber of Commerce and/or other business organizations.

Many of the interactions with these companies come in the form of projects that involve other businesses and organizations, where a common goal is shared. It is through these interactions that other connections are made to further strengthen the Kauai business network that continues to be nurtured.

B. Highlights

As OED's Mission Statement indicates, we "work in partnership with the community to create economic opportunities..." and we are fortunate to work with many of the best organizations and citizens on Kaua'i. The following are some of the highlights of working with these organizations and further detailed under the "Activities" section.

PARTNERSHIPS

KEDB (Kauai Economic Development Board)

- CEDS Implementation
- CEDS Project – Kaua’i Food Production Center (Food Hub)
- CEDS Project – Kaua’i Creative Technology Center
- CEDS Project – Arts & Culture Capacity Building
- KEDB – Aloha Ike Program

KPAA (Kauai Planning & Action Alliance)

- CEDS Project – Keiki to Career

Small Business

Kauai Made Program

Kauai Chamber of Commerce

Kauai Native Hawaiian Chamber of Commerce

Kauai Filipino Chamber of Commerce

Mayor’s Crime Task Force

Tourism

The OED Director is involved with various tourism programs and is a member of the Kauai Visitors Bureau, Royal Coconut Coast Association and the Academy of Hotel & Tourism at Kauai High School.

Agriculture

The OED Director is involved with various agriculture programs that include, but are not limited to the Tropical Fruit & Flower Industry, County’s Sunshine Markets, Kauai EBT (Electronic Benefits Transfer formerly Food Stamps) Program, Kauai Cattlemen’s Association and Kauai Grown Programs, which are detailed in the Agriculture section of this annual report.

The director is also a member of the KEDB – Food & Ag Committee and coordinates the Mayor’s Kauai Agriculture Advisory Committee each month.

MAYOR’S HOLO HOLO 2020 PROGRAM

OED’s Director is involved with several of the Mayor’s initiatives listed here and are detailed at the end of this Annual Report.

OED ADMINISTRATION

1. Island wide Shuttle Service

- North Shore Shuttle
- Royal Coconut Coast (East Kauai) Shuttle
- Poipu Shuttle

2. Island wide Ag Park System

- Kilauea Ag Park
- Anahola Ag Park
- Kalepa Ag Park
- Koloa Ag Park
- Kekaha Ag Park

TOURISM / CULTURE / FESTIVALS & EVENTS

3. Restore / Preserve Cultural Sites

Moku O Halalea

- Ke Ahu O Laka

Moku O Ko'olau

- Hokualele Heiau

Moku O Puna

- Ala Kukui Heiau
- Huleia River & Alekoko Fish Pond

Moku O Kona

- Kahua O Kaneiolouma
- Hanapepe Salt Pans

4. Increase commerce in towns across the island by maintaining unique character –

- HTA / County Special Events Grants
- Kapaa Town First Saturday
- Lihue Truck Stop Thursday
- Lihue Town Rice Street Revitalization
- Hanapepe Friday Art Night
- Waimea Town Walking Tour

C. Activities

KEDB (Kauai Economic Development Board)

With the approval of the County Council, OED provided a grant to KEDB to provide oversight of the implementation of the Kauai Economic Development Plan – Comprehensive Economic Development Strategy (CEDS). CEDS is a document required by the Economic Development Administration for a community to access grant funding for eligible projects.

In October of 2004, OED and the Kaua'i Economic Development Board unveiled the *Kaua'i Economic Development Plan 2005-2015 (KEDP)*, which serves as the County's CEDS*. With the downturn of the Kaua'i, Hawai'i, U.S. and Global economies in 2008-2009, it was critical that the Kaua'i Economic Development Plan be updated to address the challenges that had taken place.

When the first KEDP was implemented, the Visitor Industry was not included as it was thriving and the goal was to diversify the economy by looking at other segments. Unemployment was at an all-time low of 2.4%, besides the visitor industry, real estate and the housing market was booming where the median prices for homes and condominiums were increasing each month.

That all changed in 2009 where unemployment reached an all-time high of 10.0%, visitor arrivals fell by as much as 30% from the previous year, construction projects that were either

slated to break ground or were underway, came to a standstill. As Kauai's residents were losing their jobs, consumer confidence and discretionary spending was almost non-existent.

The updated KEDP would have to address these concerns that weren't prevalent the first time around and emphasize the diversification of Kauai's economy so we don't continue to rely heavily on the visitor industry.

The *Plan* identifies six emerging clusters on Kauai. These clusters include:

- Food & Agriculture
- Health & Wellness
- Sports & Recreation
- Culture & Arts
- Science & Technology
- Sustainable Technologies & Practices (Renewable Energy)

KEDB's strategic plan calls for its focus on the High Tech, Food & Agriculture and Renewable Energy industry clusters. OED worked closely with KEDB staff to coordinate efforts and maximize implementation efforts between the two agencies. The KEDB staff member has been actively coordinating activities of the committees assigned to these industry clusters.

- **CEDS Project – Kauai Creative Technology Center**

What began several years ago as a feasibility study for a Digital Media Center has evolved into the vision of a Creative Technology Center which incorporates Kauai's music and performing arts industry with digital media.

By building a facility like this on Kauai, many of our talented young minds who don't have the financial means to pursue secondary education off the island of Kauai, are able to pursue their dreams here locally. The Kauai Creative Technology Center would also provide the Film Industry with a facility on island that they are able to work in the digital bays and edit their films before returning back to the U.S. mainland. This also provides them an opportunity to re-shoot scenes.

The music industry will be able to make recordings in sound studios and perform in a small auditorium.

This past year, the consultant for the project, Alan Tang of Olomana Loomis LLC, with Susan Tai-Kaneko, CEO & President of the Kauai Economic Development Board (KEDB) made a presentation and request to the Kauai County Council to approve a license agreement between the County of Kauai and the Kauai Economic Development Board to build the facility adjacent to the Kauai War Memorial Convention Hall.

With unanimous approval, the County Council's actions clears the way for the next phase which includes design and engineering of the facility, along with fundraising efforts. It should be noted that the 2015 State Legislature approved a \$500,000 Grant-In-Aid to assist with this effort.

- **CEDS Project – Kauai Food Production Center (Food Hub)**

What started out 3 years ago as two separate CEDS projects, a Mobile/Modular Slaughter Facility and a Commercial Kitchen / Business Incubator, morphed into a possible co-habitation of the two projects with the possibility of utilizing several facilities in Lihue. When another study deemed it was not feasible to re-open the Tropical Fruit Dis-Infestation Facility due to a lack of papaya farmers and an organization to manage the facility, the two consultants for the slaughter and commercial kitchen studies collaborated to see if both could be housed under one roof. Eventually the project morphed into the Kauai Food Hub project which eventually was deemed not feasible and the consultant, Chuck Wolfe of Clagget & Wolfe Associates refocused efforts on the Commercial Kitchen / Business Incubator concept.

During the past year, several meetings with various organizations were held to look for a location for the facility. All of these efforts culminated with a meeting with John Morton, Vice Chancellor for the University of Hawaii who oversees all the community colleges throughout the state. After seeing the presentation and partnership created between the County of Kauai, KEDB and Helen Cox, Chancellor of the Kauai Community College, Mr. Morton gave his full support and approval to have the Kauai Food Production facility built on the Kauai Community College campus.

The next steps include Helen Cox working with her staff at Kauai Community College to create a business curriculum for the Kauai Food Production Center, and consultant Chuck Wolfe will work on the design and engineering, as well as fundraising phase of the project.

- **CEDS Project – Arts & Culture Capacity Building**

Along with the Kauai Creative Technology Center, the Arts & Culture community is also looking into building or refurbishing an area, hopefully centrally located in the Lihue-Puhi where small studios can be rented to artists of various disciplines. Before all of this can take place, we first must look at the Arts & Culture community to see what their carrying capacity is. There are many passionate, creative members in our community that would like to see an area dedicated to Arts & Culture, but like the Food Hub project, we need to ensure that there is an organization that can be the lead on this project and take it from concept to reality, as well as manage the organization and facility. Consultant Alan Tang of Olomana Loomis LLC was also hired to work with this group to see if the project is feasible.

- **KEDB – Aloha Ike Program**

OED continues to support the Aloha Ike program – managed by the KEDB. This program, a spin-off of an earlier Team Tech program, supports project based learning in all schools on Kaua'i by providing grants to teachers. Teachers must find a community partner and tailor their project to support learning in one of the six industry clusters identified in the CEDS. More than \$700,000 has been raised in the first three years of the program, with dozens of projects ongoing at public and private schools across Kaua'i.

KPAA (Kauai Planning & Action Alliance)

While KEDB focuses its efforts on implementation of the High Technology, Food & Agriculture and Renewable Energy emerging industry clusters of the CEDS, KPAA is focused on other industry clusters of the CEDS. Besides continued funding from the County Council, these clusters and KPAA are also supported by funds received from the Mayor and his administration, as well as the County Council for continued support of those very important programs which help to improve facilities on Kauai.

- **CEDS Project – Keiki to Career**

The Keiki to Career project is far-reaching and involves various organizations within our community that include, but are not limited to the Department of Education, several non-profit service and community-assistance organizations.

SMALL BUSINESS

Kauai Made Program

OED is responsible for the coordination of the Kaua'i Made program, which supports local product makers and the retailers who sell the products. After 8 years in existence, the program boasts more than 140+ member companies and has documented more than 100 new connections between the product makers in the program and the retailers who are now carrying more of their products. Each October, the Kaua'i Made Wholesale Tradeshow was held, with approximately 30 vendors participating and promoting their products to wholesale buyers from Kaua'i and throughout the state attending. This October will host the 8th annual tradeshow in coordination with the Kaua'i Grown Program added a touch of both local programs.

Kauai Chamber of Commerce / Kauai Native Hawaiian Chamber of Commerce

Kauai's small business community plays a major role in Kauai's economy. Business leaders like Randy Francisco and Dirk Soma respectively have been instrumental in not only networking Kauai's community with positive messages of confidence and the need to support local businesses, they have also provided so many opportunities for Kauai's small businesses to promote their products and services.

The OED Director is involved with both organizations by providing financial support through grants from the County of Kauai, and attending board meetings.

Mayor's Crime Task Force

At the request of Mayor Carvalho and the concern of the increase in crime during the Great Recession of 2008-09 by Kauai's business community, the OED Director created the Mayor's Crime Task Force in 2009.

A task force consisting of the Kauai Police Department, Office of the Prosecuting Attorney, the Kauai Visitors Bureau, the Visitor Aloha Society of Kauai, Kauai Chamber of Commerce, Filipino Chamber of Commerce, North Shore Business Council, Kapaa Business Association, the Lihue Business Association, Poipu Beach Resort Association, Hawaii Hotel & Lodging Association – Kauai Chapter, Hawaii Visitor Industry Security Association – Kauai Chapter, West Kauai Professional & Business Association, Grove Farm and several small business owners.

The goal of the MCTF is to be an organization that assists businesses and residents provide information provided by the Kauai Police Department on their efforts to prevent and fight crime, as well as receive information and concerns from community members.

The MCTF continues to engage other partners in its effort to lobby the State Legislature to pass a “Live Video” Testimony Bill which was introduced during the 2014 State Legislative session and advanced further through several committees before being defeated at the close of the 2015 session.

Many incidents of crime on Kauai target visitors to our island. Visitors are unaware of the potential loss of their personal property and have lowered their guard since they don’t feel as threatened because they are on vacation on Kauai. Perpetrators prey on visitors because they have assets that they covet, but also are less likely to return to Kauai to testify should the incident go to court. The “live video” testimony would provide a means for visitors from outside of Hawaii to provide crucial testimony that would help to convict the perpetrator of the crime.

Although the bill did not pass again, the MCTF continues its resolve to lobby the Kauai community, as well as other law enforcement agencies in the other three counties to support this important bill.

TOURISM

The Director for the Office of Economic Development is involved with several Tourism / Visitor Industry organizations as a board member for the Kauai Visitors Bureau, Royal Coconut Coast Association and the Academy of Hotel & Tourism at Kauai High School.

AGRICULTURE

The Director for the Office of Economic Development is involved with several Agriculture-related organizations and projects by overseeing the Mayor’s Kauai Agriculture Advisory Committee (KAAC), the County’s Sunshine Markets, Kauai EBT (Electronic Benefits Transfer formerly Food Stamps) and Kauai Grown Programs.

The director has also been involved with the Tropical Fruit & Flower Industry, Kauai Invasive Species Council, Kauai County Farm Bureau and Kauai Cattlemen’s Association, and board member of the KEDB – Food & Ag Committee

With the retirement of the Agriculture Specialist in December 2014, the OED Director will assume all Agriculture-related responsibilities.

WORKFORCE DEVELOPMENT

The OED Director is very much involved with Workforce Development and is very supportive of the County’s Workforce Development Specialist, Kaeo Bradford.

D. Program Measures – Accomplishments / Evaluation

Most of the program accomplishments and evaluation takes place in each of the six sectors overseen by the OED specialists. These accomplishments are noted in each section of the annual report.

E. Budget (General Fund)

Description	FY 2015 Appropriation	FY 2014 Appropriation
Equivalent Personnel (E/P)	3	3
Salaries, Wages & Benefits	\$344,085	\$367,063
Operations	\$489,033	\$556,282
Equipment	\$0	\$0
Program Total	\$833,118	\$923,345

TOURISM

A. Objectives (General)

1. Market Kaua'i Responsibly

OED provides funding and other support to the Kaua'i Visitors Bureau who is the marketing arm for Kaua'i.

2. Provide Support for Cultural Programs

OED provides funding for cultural programs that focus first on the host culture but also for many other types of events and project.

3. Provide Support for Areas Impacted by the Visitor Industry

OED looks for funding or provides funding for different improvement projects throughout the island.

4. Provide Support for Community Events

OED provides logistical and/or funding support for many events on Kaua'i.

5. Help guide public to needed Visitor Statistics

Key to economic development is maintaining a database of information and statistics. The OED-Tourism office provides visitor information and statistical data as needed, as well as locating information sources for the public.

In Fiscal Year (FY) 15 County Council approved the funding for the following tourism related initiatives:

- \$50,000 for Shuttle and Other projects
- \$60,000 for the Kauai Nui Kuapapa Program signage
- \$40,000 for the Ka Aha Hula O Halauaola Conference
- \$100,000 for Other Culture-related projects
- \$40,000 for Special Events Security/KPD Services Grants
- \$30,000 for the Visitor Industry (Kauai Tourism Strategic) Plan Update

B. Highlights

FY '15 was a successful year for the Tourism program. Projects mentioned above, key projects tied to tourism, cultural preservation and festivals & events saw substantial progress.

Visitor Data:

As per the Tourism Strategic Plan Update, Kauaʻi offers visitors a rural and natural experience with a mix of accommodations to meet many needs. The following are unique challenges and opportunities facing the “Garden Isle.”

In 2014, Kauaʻi received 1,113,605 visitors, who stayed an average of 7.71 days and spent \$171 per day. Of these, 70% were returning visitors while 30% were new. Three out of four were independent travelers. The average visitor count per day is 23,536. The U.S. west coast remains the primary source of visitors to Kauaʻi. Small but growing visitor markets are Canada, Europe, Oceania, Other Asia and Latin America.

About half of Kauaʻi visitors stay in hotels, and the remainder stay in condos, timeshares and rental homes. The share staying in rental homes, which may include homestays and transient vacation rentals, is growing. Many of these rental homes lack the proper County permits. A recent study showed that Kauaʻi has 3,614 individually advertised units, nearly double the number that had been anticipated. The great majority of these homes are in Kōloa, Hanalei and Princeville.

Kauaʻi’s tourism growth – and resident quality of life – is impacted by the need for infrastructure improvements to handle traffic and congestion. On a monthly basis, the visitor count fluctuates significantly. When the daily visitor count is over approximately 25,000, the island’s roads, parks, beaches and other infrastructure, in their current conditions, are taxed and the visitor experience and resident quality of life diminish. There is interest in managing the “peaks and valleys” in the visitor count. The peaks typically occur in mid-June to August and during the winter holidays and have reached well over 26,000 per day. Until the island’s infrastructure, including bus and shuttle service, is improved, the desirable range of visitors per day is within the range of 23,000 to 25,000.

In 2015, Kauaʻi lost all competitors for inter-island flights, leaving only Hawaiian Airlines. This translates to a decrease in available seats and higher prices for visitors and residents.

Kauaʻi is marketed as a destination for relaxation and rejuvenation, and it becomes the island’s challenge to live up to that promise. For those who visit Kauaʻi for a unique cultural experience, the visitor industry wants to offer an authentic Hawaiian cultural experience. This means that staff need to be knowledgeable about Hawaiian culture and adequately trained.

Social media is transforming how visitors access and share information, which can have great benefit yet also means that negative experiences can be broadcast worldwide almost instantaneously. Crime and visitor safety continue to be critical issues, with property crimes, such as car break-ins, theft and water safety, being the principal concerns.

Per the UHERO economic review of July 2015, Kauai’s economic performance last year was uneven. Although the number of visitors was flat, their total spending rose.

The increase in visitor demand and occupancy will likely exert upward pressure on room prices both in hotels and other transient vacation rentals, as well as non-accommodation visitor expenses. Already, average hotel room rates on the Garden Isle have risen more than a third in nominal terms from their low point back in early 2010 (they remain below their

previous peak in inflation-adjusted terms). To some extent, higher travel costs will act as a brake on visitor demand, bringing arrivals growth down to about 1% annual rates late in the decade.

Despite the availability of hotel rooms, there are mounting concerns on Kauai that the high number of existing visitors is increasingly stressing the island's infrastructure. Both parks and roadways are crowded even before the peak summer season, causing headaches for tourists and residents alike. This could lead to a deterioration of the visitor experience and increased resentment from kama`aina. While the visitor accommodation surveys provide important occupancy and other vital statistics, they only reflect a certain percentage of hotels, condominiums and timeshare resorts that choose to participate and does not take into account, the occupancies of vacation rentals, homestays and bed & breakfast operations. This segment accounts for nearly 25% of the total accommodations inventory on Kaua'i.

C. Activities

Kauai Visitors Bureau – Marketing Committee - OED-Tourism staff sit on the Kaua'i Visitor's Bureau marketing committee, Kaua'i Visitor's Bureau Board, Visitor Aloha Society of Kaua'i, Kekaha Host Community Benefits Committee Grant Staff Support and oversees countless events and projects by providing guidance and recommendations. OED also provided a grant to the Kaua'i Visitors Bureau of \$225,000 for program funding involving marketing of Kaua'i. Below is a chart showing the expenditures of the KVB during FY 2015.

Shoulder Season: Kama'aina Marketing	Estab. A Kama'aina campaign that helps during shoulder 29,545 seasons
MCI Support	Work with HVCB to secure more room nights for Kaua'i MCI 50,000 Market
Shoulder Season-KVB Road Show	Road show to educate travel agents targeting cities that have 35,000 growth potential.
Shoulder Season-Bridal Show	20,000 Attend two bridal shows in Los Angeles and San Francisco
Film Support/AFCl & Jurassic World	Help with costs of attending Asso. Of Film Commissioners event 25,000 & Mahalo Ad for Jurassic World release
Aloha Video (partnership with NaHCC)	Create a series of 3-5 videos addressing the culture and way of 25,000 life on Kaua'i
Photography	10,000 Purchase new photography 8-10 photos
Sports Marketing-Iwaki Marathon	5,000 Iwaki Sister City Coop with exchange of winners
North Shore Shuttle Marketing	5,000 Assist with radio ads to advertise N.S. Shuttle
Admin	20,455 % fee to HVCB/KVB to administer funds
TOTAL:	225,000

Greetings, Product Enhancement, Kaua'i Nui Kuapapa, Aha Hula O Halauaola Conference, and an Ambassadors of Aloha Program.

The CPEP Program allows for an administration fee of up to \$75,000. This fee supports the accounting position at OED that supports tourism and the OED office however much of the extra work for CPEP is done by the Economic Development Specialist II so that the extra funding could support programs for the community. All HTA programs run on a calendar year (CY), versus a fiscal year (FY) basis which presents its own challenges.

In addition, this office seeks and applies for other grants that come available to help to promote the host culture and fund improvement projects in natural and cultural resources.

Good News - The Office of Economic Development received news that 13 of our major events are able to apply for funding for an additional year and an anticipated funding cap by HTA will not be implemented for the 2016 CY. OED and this administration continue to feel that limiting traditional and established festivals, events or projects from applying is not beneficial for Kauaʻi Island.

Awards Distributed

Thirty-two (32) programs that include the island's best known festivals were awarded HTA funding from the CPEP/County program in CY 2015. Programs are listed below.

2015 Kauaʻi Chocolate & Coffee Festival	Project Kiaʻi Kai II: Traditional Ecological Knowledge Walking Tour
2015 Orchid and Art Festival	Airport Window Display 2015
23rd Annual Hawaiian Slack Key Guitar Festival "Kauaʻi Style"	The Keeper of the Culture
Mokihana Aquatics Fun Meet 2015 27th Anniversary	May Day by the Bay
2015, 5th Annual Anahola Prince Kūhiʻō Day Celebration	Ka Moku O Manokalanipo Paani Makahiki
16th Annual Kōloa Plantation Days Rodeo	Concert in the Sky
Heiva I Kauaʻi 2015	The Coconut Festival presented by the Kapaʻa Business Association
2015 Waimea Town Celebration: Heritage of Aloha	Soto Zen Bon Festival
Kauaʻi Veterans Day Parade & Service	The 26th Annual Banana Poka RoundUp
2015 King Kamehameha Day Celebration	The 27th Annual Eo Ee Emalani I Alakai Festival
2015 Kauaʻi Pow Wow	Irmalee & Walter Pomroy May Day Lei Contest & Happy's Keiki La Lei Contest
Prince Kuhio Celebration Kauaʻi	Kauaʻi Food Tours
New Years Eve Music Festival & Fireworks Celebration	2015 Kauaʻi Festivals & Events & Projects Marketing Plan
Festival of Lights	11th Annual Inspiration Kauaʻi Wellness Expo
2015 Hawaiian Cultural Events & Kauaʻi Mokihana Festival	Kauaʻi Art Tour: Artists Open Studios
E Kanikapila Kakou 2015-Music into the Community	Matsuri Kauaʻi 2015
	E Pili Kakou

Over 112,682 people attended HTA funded projects on Kauai in CY 2014, with another 24,992 people attending County-funded projects and events for a total of 137,674. Of all the event attendees, half (43%) were visitors to the island. 30% were from the mainland USA, 5% from a foreign country and 8% from a neighbor island. These numbers show decreases in all areas. Due to a shift in policy of what HTA will fund, events that harbored larger numbers tended to garner the HTA funding and county funding was used more for smaller events in an attempt to help grow their capacity for the future and for an overall marketing program and presence. The OED-Tourism also keeps a relationship with the International Festivals and Events Association which provides guidance and support in helping cities with economics and how it relates to events. This information has proved invaluable and our office will be expanding its knowledge in this area in the coming years.

CPEP Marketing Toolkit

This year we updated the CPEP marketing toolkit again with negotiated group advertising rates for events and projects who are seeking to advertise to visitors and kamaʻāina. It also provided a step by step process for providing the best in a public relations and ad campaign on Kauaʻi with many great ideas to increase awareness. This toolkit continues to meet with overwhelming success and open arms by both the users and the advertisers.

Kaua'i Festivals Website

OED-Tourism also manages the Kaua'i Festivals website (www.kauaifestivals.com) and marketing program. Programs and events that will occur on Kaua'i that fit County OED guidelines are entitled to have a webpage that highlights their event or program. The site is supported by Delicious Design via the Kauai Visitors Bureau, and OED maintains the text of the website as part of our marketing efforts. With 2015 CPEP funds we continued to update and upgrade this site and proceed with a marketing program for Festivals and Events including a marketing package with confirmed lower rates for advertising for festivals and events in our program.

Kaua'i Nui Kuapapa:

In 2012, Kaua'i County Mayor, Bernard Carvalho, adopted the roadway signage project, Kaua'i Nui Kuapapa: Talking About Our Island (KNK). Three years later we have completed most research and are now moving into the curriculum phases. We continue into the next fiscal to try to get permission from the Department of Transportation to place all signage up on DOT roadways which has already been purchased and plotted.

KNK entails the following eight (8) aspects:

- 1) Posting signs on Kaua'i roadways administered by the SHDOT and COUNTY OF KAUAI that depict the traditional Hawaiian names of *moku*, *ahupua'a*, and *hi'ona wai* (water bodies, including streams, rivers, ponds, lakes, waterfalls, springs)³, with their corresponding unique colors and logos.
- 2) Posting interpretive signs on roadways administered by the SHDOT that depict information about the areas in which the sign is posted, including traditional and contemporary *wahi pana* (points of interest).
- 3) Posting smaller, environmentally appropriate versions of the roadway signs that depict the traditional names of *moku* and *ahupua'a* on the Kalalau walking trail on Kaua'i's north shore by the State of Hawai'i Department of Land and Natural Resources' Parks Division.
- 4) Posting signs at County and State parks on Kaua'i that depict the Hawaiian names of the spot on which they are located.
- 5) A curriculum to be utilized in Kaua'i schools (elementary to high schools) based on content of KNK.



The Lihue Airport Greetings Program, which we manage, continued this year. This program continued to provide entertainment once per day, 3 days a week in the airport lobby from 6:30 p.m. to 9:00 pm or 9:00am to 11:30am through June of 2015. With heightened security measures, processing entertainers for security clearance is still a constant challenge. The State of Hawai'i's Lihue Airport contract security personnel (Securitas) has been an invaluable source of support through this process to comply with TSA's requirement that includes an annual renewal and audit of all the entertainer's security badges. In addition, HTA is funding additional performances on alternate days via a large contract with the VIP services on all islands of which Kaua'i gets a portion.

Ka Aha Hula O Halauaola World Hula Conference – OED provided funding support for the World wide hula conference that was held for the first time on Kaua'i in July of 2014. This event is only held once every 4 years and this was the first time it was held on Kaua'i. It was a huge success and additional surprise benefits Kaua'i has reaped is notoriety of our local hula competitions which have skyrocketed in competitors from off island, the mainland and Japan.

On Island Residents	305
Neighbor Island Residents	445
Out of State US Visitors	385
International Visitors	161
Family who traveled with them	453
Volunteers	175
Committee Members	26
TOTAL	1950



Kekaha Community Host Benefit Program - OED-Tourism handles attendance at meetings and the distribution and management of the Kekaha Community Host Benefit grant fund utilized to help Kekaha with community projects for Kekaha. Currently we managed 6 grants listed below for a total of 968,997 for FY 14-15.

Current Projects 14-15	
The "W" 2014 Youth Basketball Clinic	8,655.00
The "W" 2014 Youth Volleyball Clinic	2,292.00
St. Theresa School Playground Equipment	4,850.00
E Ola Mau 4th of July Celebration 2014	48,500.00
Ke Kula Ni'ihau O Kekaha School Food Service Project	124,700.00
E Ola Mau Na Leo O Kekaha/Solarize Kekaha PV Project (2 year project)	780,000.00

Kauai Festivals & Events Website

Goal 1.0 – Strengthen and market kauaifestivals.com website

Objective 1.1 – Train 10 more regular users of the kauaifestivals.com site to help us help the community. **MET**

Objective 1.2 – Have kauaifestivals.com as a link on 15 other sites to help site get more exposure. **MET**

Objective 1.3 – Initiate Kama’aina Campaign to expose site to more kama’aina for use in planning. **PUSHED TO FY 2016 due to purchasing systems change.**

HTA & County CPEP Grant Program

Goal 2.0 – Implement HTA & County Special Events and Product Enhancement programs

Objective 2.1 – Initiate next round of CPEP grants. If the County receives HTA funding at current level, fund at least 35 successful community projects to maintain what we have. **MET**

Objective 2.2 - Look for new projects to fund. At least 5 of these projects should be product versus special events and grants. **MET**

HTA & CPEP Training Programs

Goal 3.0 – Coordinate HTA & CPEP Training Programs

Objective 3.1 – Conduct a half to full day training session on current hot topics for events and projects in the fall of 2014. **MET**

Objective 3.2 - Utilize information from International Festivals and Events membership to pick topics and speakers. **MET**

Festivals & Events Survey

Goal 4.0 – Conduct Festivals & Events Survey

Objective 4.1 – Initiate an economic assessment survey that will provide more detailed information at events that the HTA or County funds that are held within the town proper, such as the Waimea Town Celebration, Koloa Plantation Days and Coconut Festival in Kapa’a. **NOT MET. Working with HTA on this.**

Objective 4.2 - Utilize information from survey to determine the economic benefit on the host town. **Partially MET, Working with HTA on this to refine.**

Kekaha Host Community Benefit (KHCB)

Goal 5.0 – Distribute & monitor various grants from the KHCB. The Kekaha Community receives funds from the County of Kaua’i for hosting the Kekaha Landfill.

Objective 5.1 - Work with the grantees of the Kekaha HCB projects to keep their grants moving along and in order. Some examples of projects past and present include: St. Theresa PV Project, Kekaha Community Garden Project, Trashology 101 with the Boys and Girls Club and Kekaha 4th of July Celebration and Solarize Kekaha with E Ola Mau Na Leo O Kekaha. We are currently going into another funding cycle. **MET**

Objective 5.2 – Work with Kekaha community to complete at least 90% of the approved grants which have not been distributed as of this date. **MET**

Ka Ahu ‘O Kaneiolouma



Goal 6.0 – Continue to monitor and assist the Hui ‘O Kaneiolouma in obtaining grants and completing work on this culturally and historically significant Kaua’i landmark.

Objective 6.1 – Continue to assist this organization in finding funding sources including the American Native Association (ANA) for a 3-year funding grant. **MET, though no new funds this fiscal. They are still closing out grant.**

Objective 6.2 – Close two open grants of \$805,000 and \$350,000 successfully. **Not MET, still have one to go.**



Kaua'i Nui Kuapapa (KNK)

Goal 7.0 – Bring the County's involvement of the signage project to a close and transfer to Team Kauai Nui Kuapapa

Objective 7.1 – Continue to assist this organization in finding funding sources including the American Native Association (ANA) for a 3-year funding grant. **MET**

Objective 7.2 - Start the signage placement phase in May of 2014 of Kaua'i Nui Kuapapa and finish by December of 2014 with all Moku and Ahupuaa signs placed. Phase II includes continued research, community outreach, build out of the website, design of the signs, permitting, and actual sign creation and placement (Moku and Ahupuaa and one Interactive pilot sign), advertising of the project, grant writing as well as turnover of the kuleana of the project to the KNK Hui to be completed by December 2014. **Not MET. Working on getting permission from DOT.**

Objective 7.3 – Monitor the progress of Phase III, which will be managed by the KNK Hui, includes continued grant writing, research, more interactive signs, more general signage (beach and streams) cooperative projects with the Kaua'i Museum, Curriculum building and going into the schools to work with children on build out of the website and information. Phase III estimated to last 3 years. **MET and Ongoing.**



Hanapepe Salt Pond

Goal 8.0 – Facilitate improvements at the Hanapepe Salt Pond area

Objective 8.1 – Work with various government agencies (County Parks & Recreation, Public Works; State DOT-Airports and DLNR; along with the families of traditional pa'akai (salt) farmers to address ongoing concerns. **MET and Ongoing.**

Objective 8.2 – Work with State DOT-Airports and Kauai Police Department to remove homeless individuals camping illegally in the Salt Pan area. **MET and Ongoing.**

Objective 8.3 – Work with the County Department of Parks & Recreation to prevent run off of wastewater from the County Salt Pond Beach Park restrooms. **MET and Ongoing**

Objective 8.4 – Work with the Kauai Humane Society to eliminate the feral cat population along the County road to prevent cat feces from a nearby feral cat colony from flowing into the salt pan area during heavy rain events. **MET and Ongoing**

Objective 8.5 – Work with the State DOT-Airports and Dept. of Land & Natural Resources to prevent local residents and visitors driving vehicles through portions of the Salt Pans and camping in the beach. **MET and Ongoing.**

Kauai Visitors Bureau Marketing

Goal 9.0 – Support niche and shoulder season marketing program

Objective 9.1 – Support Kauai Visitors Bureau marketing program, covering niche markets

not covered by HVCB funding. These markets include a statewide Kama'aina program,

MICE (Meetings, Incentives, Conventions & Events). **MET**

Objective 9.2 – Support Kauai Visitors Bureau shoulder season marketing programs that include road shows, bridal shows, Kaua‘i Marathon, Iwaki Marathon, and American Professional Volleyball (APC) tournament) **MET**

Objective 9.3 – Complete new Aloha video and enhance existing photography library.
Ongoing

Objective 9.4 – Produce report that shows these projects were accomplished. **MET**

Objective 9.5 - Aloha Video Product to be provided. **Ongoing**

Objective 9.6 – Tourism Specialist to attend KVB Marketing Meetings and Visitors Aloha Society Meetings and assist KVB in other ways as needed by the Kaua‘i Visitors Bureau.
MET

Visitor Industry Plan

Goal 10.0 – Review and update current Visitor Industry Plan **MET**

Objective 10.1 – Produce a document that assesses the current Visitor Industry Plan
MET

Other OED Grant Projects

Goal 11.0 – Support Other OED Grant Projects

Objective 11.1 – Provide both advisory and financial support for the Halauaola Conference and collect a written and financial report from the organization when complete. **MET**

Objective 11.2 – Provide both advisory and financial support for the return of the Kauai Tahiti Fete and collect a written and financial report from the organization when complete. **MET**

Objective 11.3 – Identify all Moku Projects by the end of FY 2015 and come up with a timeline for each. **MET**

Continue funding of the Airport Greetings Program

Goal 12.0 – Support the Airport Greetings Program at the State DOT-Lihue Airport

Objective 12.1 – Provide financial and rotational booking support for the musicians at the Lihue Airport Greetings Program. **MET**

Objective 12.2 – Provide assistance in processing security clearance and badges for the Lihue Airport Greetings musicians in our program. **MET**

Visitor Industry Data

Description	CY 2015 Actual (thru June)	CY 2014 Actual	CY 2013 Actual
Visitor Arrivals	583,530	1,113,605	1,114,354
Total Expenditures	\$821.1 M	\$1,466.2 M	\$1,390.6 M
Per Person Per Day Spending	\$182	\$170.70	\$163.30
Average Length of Stay (days)	7.73	7.71	7.64
Hotel Occupancy	72.90%	71.9%	68.9%
Rev Par	174.68	165.68	157.37
Average Daily Rate (ADR)	\$239.61	\$236.69.76	\$228.40

**Information obtained from DBED&T, HTA, DLIR and UHERO Kaua'i County Forecast.*

As mentioned previously, Kauai continues to realize economic recovery largely in part to the “growth” of its main economic engine, Tourism. Visitor Arrivals by Air and Hotel Occupancy numbers have steadily increased but have somewhat leveled off. This office believes that there is a capacity issue for the visitor industry and that number lies around 1.2 million per year maximum. As we rise to that level, our kama`aina are concerned with Kaua'i's “carrying capacity” issues which our infrastructure is not capable of handling. We updated the Kauai Tourism Strategic Plan to determine how we should plan for the next three years and provide an outlook beyond that. This document is on file and funding has been obtained to continue to the action phase in FY2016 in an effort to try to mitigate the current substantial issues.

The Visitor Industry is Kauai's main economic engine and provides a majority of jobs that rely on its success. Over the last 4 years we have seen a reduction in unemployment as a result of the Visitor Industry rebound.

E. Budget (General Fund)

Description	FY 2015 Appropriation	FY 2014 Appropriation
Equivalent Personnel (E/P)	1	1
Salaries, Wages & Benefits	\$103,658	\$107,898
Operations	\$799,445	\$353,826
Equipment	\$0	\$0
Program Total	\$903,103	\$462,724

AGRICULTURE

A. Objectives

Kauai Agriculture Advisory Committee (KAAC)

OED provides staff support to the KAAC, a body providing advice to the administration on broad agricultural matters in the County and state. The work entails a major component of networking to match agricultural needs in the county with opportunities represented by state, federal and educational agencies.

Legislative Action

The Mayor's Kaua'i Agriculture Advisory Committee, along with the Kaua'i County Farm Bureau has been active during the past State legislative session and introduced bills to continue support for the repair and maintenance of irrigation systems throughout the island, eradication of various animal species that destroy crops, and a new water well and repair of the existing water storage tank in the Moloa'a Ag Park. Lobbying efforts for the well and a processing facility for farmers proved successful as the legislature approved a Grant-In-Aid to Moloa'a Farmers Co-op.

B. Highlights

The County of Kaua'i, through the Office of Economic Development, continues to support the Agriculture Industry on Kaua'i with its own Kilauea Agriculture Park, now known as the Kilauea Community Agriculture Center. Mayor Bernard P. Carvalho, Jr. created a stewardship agreement with the Kilauea farmers and community under the non-profit umbrella of Malama Kaua'i. The stewardship agreement is a partnership between the Kilauea farmers that allow them to develop the Ag Park under the guidance of the Office of Economic Development. After 5 years of planning and community meetings, the development of the Ag Park would cost the County approximately \$8M and make it nearly impossible to develop and still provide affordable lease rents to farmers.

With the stewardship agreement, the Kilauea farmers can use their equipment, sweat equity and community resources to accomplish this 40-year dream and make it a reality. Besides obtaining a \$100,000 County grant for the installation of five 5/8 inch water meters and other related expenses, Malama Kauai was also successful in obtaining a \$150,000 Grant-In-Aid from the State of Hawaii legislature for the purchase of a portable office trailer and funding for a Strategic & Business Plan.

The County of Kaua'i – Office of Economic Development also supports farmers and ranchers with its involvement with the Kaua'i County Farm Bureau, Kaua'i Cattlemen's Association, Garden Island RC&D, East Kaua'i Water Users Co-op, Kaua'i Tropical Fruit & Flowers Association, State of Hawaii – Department of Agriculture, State of Hawaii – AgriBusiness Development Corporation, USDA – NRCS and University of Hawaii CTHAR to name a few.

In order to diversify Kaua'i's economy, the County needs to work closely with the State of Hawaii – Department of Agriculture and large landowners to try and keep lease rents affordable and longer terms. Preservation and maintenance of old, deteriorating irrigation systems built by the sugar plantations over 100 years ago is also important in ensuring the agriculture industry survives on Kaua'i.

C. Activities

Besides the development of the County's Kilauea Community Agriculture Center (Ag Park), the County, through the Office of Economic Development oversees the Sunshine Farmer's Market Program and works in partnership with the Kaua'i County Farm Bureau on the Kaua'i Grown program. The seven Sunshine Markets throughout the island help to support farmers by providing a venue in which they can sell their produce and value-added products at a very low cost. The idea is to pass those cost savings on to the consumer which is comprised of both Kaua'i residents and visitors.

Like the Kaua'i Made program, Kaua'i Grown has provided funding in the form of grants to the Kaua'i County Farm Bureau to oversee this program by marketing local farmers and ranchers that join the program on its website and in retail markets throughout the island. Recent management changes within the Kaua'i Grown program will only enhance the programs visibility and viability.

D. Program Measures – Accomplishments / Evaluation

Selected Statistics (CY–calendar year)	CY 2014	CY 2013	CY 2012
Sunshine Market Vendor Days	12,740	12,740	12,740
Sunshine Market (\$)	\$1,01,334	\$982,857	\$972,149

The Hawai‘i Department of Agriculture, as a result of budget reduction does not produce the annual statistics series used in former reports. The only statistics the County of Kaua‘i produces are the Sunshine Market Statistics provided above.

E. Budget (General Fund)

Description	FY 2015 Appropriation	FY 2014 Appropriation
Equivalent Personnel (E/P)	1	1
Salaries, Wages & Benefits	\$200,369	\$116,676
Operations	\$408,125	\$239,767
Equipment	\$0	\$0
Program Total	\$608,494	\$356,443

ENERGY PROGRAM

A. Objectives

The Objectives of the Energy Coordinator- working through the Office of Economic Development are to assist the County of Kauai in managing energy use including reducing energy consumption, increasing efficiency, conversion to clean renewable energy sources, and various energy planning efforts. The Energy Coordinator works on both internal County operations and in collaboration with other entities to develop and implement broader Island and State-wide energy goals.

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Goals for internal energy reductions were developed in ‘FY 13. On the electricity side, the goal is to reduce County use by 30% over the next ten years through various efficiency measures. On the fuel side, the goal use to reduce County fossil fuel use by 50% in ten years, including both increased efficiency and switching to clean and renewable fuels.

Projects initiated from the energy office frequently include and depend on the excellent work of other County agencies such as the Department of Public Works’ Building Division, Solid Waste Division and Wastewater Division, as well as other departments and agencies. Energy Coordinator also participates actively in energy initiatives on the Federal, State, and local (utility) levels to determine its impacts on the County and its programs. This include participation in state legislative efforts, Hawai‘i Public Utilities Commission dockets, State level energy planning through DBEDT, engagement with Kauai Island Utility Cooperative

and other initiatives relating to energy. Energy & Sustainability Coordinator also leads the staff level green team, which helps the County to implement the goals of the Operations Sustainability Plan developed in 2013.

B. Highlights

As a major part of the Mayor's Holo Holo 2020 Program, OED's Energy Program is spearheading the following initiatives. For further information and details, please refer to the Section IV – Holo Holo 2020 Projects & Status at the end of this report.

Electric Vehicle Charging Stations

Increase Use of Alternative Energy Sources via implementation of Kauai Energy Sustainability Plan

- Kauai LED Streetlight Retrofit
- Lihue Wastewater Treatment Facility- Anaerobic Digestion of Food Waste
- County of Kauai Internal Energy Efficiency Initiatives
- Kekaha Landfill Alternate Fuel Project

FY '15 was a successful year for the Energy program. Besides the Mayor's Holo Holo 2020 Projects mentioned above, key projects tied to achieving the electricity and fossil fuel reduction goals saw substantial progress including:

Successful County Motor Pool Pilot

The motor pool pilot was started in February of 2015 and ran for 6 months. The pilot was highly successful and provided essential data to the County about how the existing vehicle fleet is used by County employees and how it can be optimized in the future. The pilot included 40 County vehicles and extensive training for administrators and users. The pilot demonstrated that, with such a platform in place, the County can substantially reduce the number of vehicles in the fleet. As a result of the pilot, Public works auto shop has been able to reduce the passenger vehicle fleet by 10 vehicles, with an expectation that more vehicles can be eliminated once a permanent motor pool platform is put in place. County is working with the platform vendor to determine the best means of full scale implementation.

Continued Collaboration between County and KIUC

Building on MOU of August 2013, County continues to work successfully with our community owned cooperative, KIUC. One highlight was a workshop conducted with KIUC staff, Sandia National Lab, and County and State staff to study the potential for microgrids in Lihue to support critical services facilities. Another project that is moving forward is the LED street light replacement, which has recently reached another milestone in that the proposed tariff has been submitted to the HPUC for approval. County is also working with KIUC on the promotion of electric vehicles on Island, and County has been supporting KIUC in key issues as they have arisen at the HPUC.

C. Activities

Energy Policy & Planning

Hawaii Clean Energy Initiative Advisory Committee – County Energy & Sustainability Coordinator serves as the Vice-Chair of the HCEI Advisory Board, which is a State level

effort to achieve a 100% clean energy within the State by 2045. Participation offers insight into State Planning and policy efforts and allows for alignment between State and County where beneficial to both. 2015 was an eventful year with HCEI, with the State legislature passing act 97 into law, establishing the goal of 100% renewable energy by 2045. The renewed HCEI focus on fossil fuel use in transportation also saw the completion of the ICCT's Transportation Energy Analysis for the State.

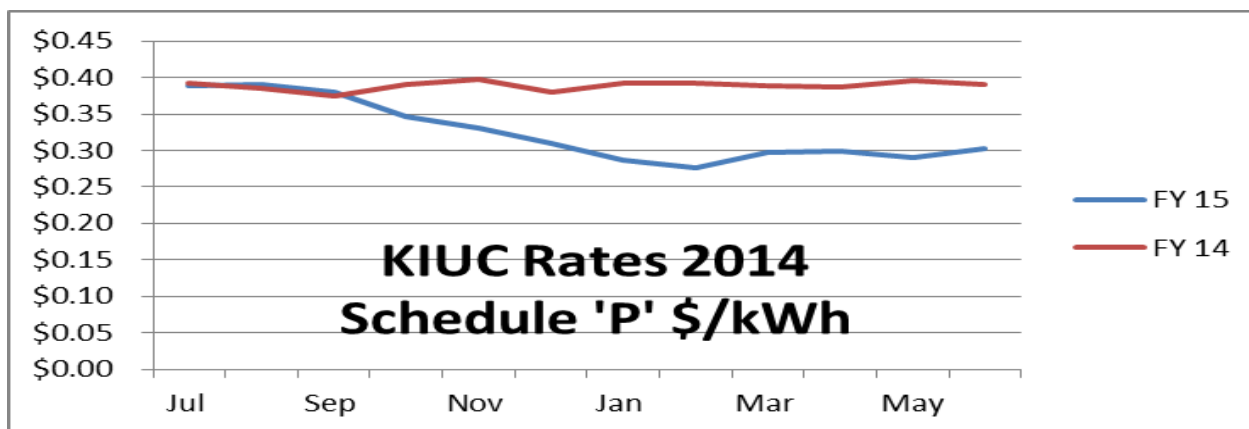
Hawaii Energy Policy Forum

Energy Coordinator is an active participant in the Hawaii Energy Policy Forum which meets quarterly to advance State energy policies.

D. Program Measures – Accomplishments / Evaluation

Annual Review of County Electrical Accounts

Fiscal year	Total Energy Use	Total Energy Cost
FY 2015	20,175,333	\$8,079,661
FY 2014	20,532,940	\$9,164,570
FY 2013	20,050,237	\$8,527,003
FY 2012	19,736,657	\$8,575,235
FY 2011	19,362,523	\$7,506,952
FY 2010	19,972,688	\$7,186,732



County realized a major year over year savings in electricity expense, brought about primarily by a major drop in electricity rates, but also including a year-over year reduction in electricity use. The energy & sustainability coordinator anticipates that the electricity use trend will continue into fiscal '16 based on projects already in the pipeline. However, actual dollar savings may not result as it is likely that electricity prices will slowly begin to climb again as oil prices rise and renewable energy projects come online.

Island-wide energy/electricity indicators

Indicator	2010 kWh	2011 kWh	2012 kWh	2013 kWh	2014 kWh
Electricity Total KWH Sold-	434,533,312	434,745,056	433,159,072	431,478,208	429,923,520

All Sectors					
Electricity Total KWH Sold-Residential	159,425,808	159,071,136	157,278,144	157,866,896	159,151,344
Electricity Total KWH Sold-Commercial	272,377,824	272,957,504	273,120,992	270,853,248	268,003,328
Hydropower	8,227,307	7,270,484	7,917,610	8,441,975	7,878,602
Solar Electricity* (PV)	27,413,670	36,596,456	37,954,172	48,830,732	64,518,316
Electricity Use sector	2010 kWh	2011 kWh	2012 kWh	2013 kWh	2014 kWh

E. Budget (General Fund)

Description	FY 2015 Appropriation	FY 2014 Appropriation
Equivalent Personnel (E/P)	1	1
Salaries, Wages & Benefits	\$103,656	\$107,897
Operations	\$101,090	\$116,006
Equipment	\$0	\$0
Program Total	\$204,746	\$223,903

SUSTAINABILITY PROGRAM

A. Objectives

The objective of the County's Sustainability Program is to have the county government lead by example by developing, adopting, and implementing sustainable practices for county operations, which will ultimately lead to the development and implementation of a county-wide comprehensive sustainability plan for Kaua'i.

The government sustainability program is designed to guide and assist County departments in their efforts to incorporate sustainability into their operations. The sustainability program will foster the creation of programs and actions that promote island sustainability and assist County departments to reduce environmental impacts from operations and improve environmental performance. The sustainability program should ultimately enable the County to reduce the consumption of utilities, resources and dependency and use of fossil fuels.

As the County moves towards more sustainable practices, it is envisioned that public interactions will also motivate the public to think and act sustainably. The County hopes to partner with various community organizations and non-profits to make sustainable practices the norm.

The sustainability program has six overall goals.

County

1. Introduce the concept of sustainable, long-term thinking that considers multiple impacts of actions on the environment, social equity and the economy, into all county

policies and activities. **Institutionalize sustainability as a county value and make it part of everyday decision-making.**

2. Create a permanent sustainability program within county government that grows and improves over time. Start with a Greenhouse Gas Emissions Inventory followed by a forecast for local government operations with a Kauai Government Action Plan to improve energy and resource use. Actively engage county employees and their families.
3. Help the County develop innovative, inter-departmental programs that save money, support local businesses and create jobs, improve quality of life, and protect the environment and public health.
4. Track improvements and successes for the government program over time using verifiable metrics.

Community

5. Develop relationships between the county, non-profit organizations and businesses to promote sustainable practices on Kauai.
6. Fund and hire a qualified consultant to develop a comprehensive County-wide Sustainability Plan for Kaua'i in FY 16-17.

B. Highlights

The Sustainability Program is part of the Mayor's Holo Holo 2020 program. Mayor Bernard P. Carvalho, Jr., created a vision for Kaua'i during his Inauguration speech on December 1, 2010 that has resounded throughout Kaua'i, the State of Hawai'i, and the mainland United States. The vision, called Holo Holo 2020, calls for all organizations, businesses, residents and visitors on Kaua'i to be part of creating an island that is sustainable, values our native culture, has a thriving and healthy economy, cares for all – keiki to kupuna, and has a responsible and user-friendly local government. The Mayor's five focus areas include: supporting our economy; becoming more sustainable; planning wisely for our future; caring for our community; and delivering excellent customer service.

Funding for the Sustainability Manager was approved in the FY 2013-2014 budget and the following activities highlight the work and accomplishments of the Sustainability Program for this fiscal year.

C. Activities

STAFF-LEVEL GREEN TEAM & PROGRAMS

The SL-Green Team's purpose is to focus on recommendations to improve energy and resource use in county operations by:

- Reducing waste.
- Promoting energy conservation and efficiency.
- Reducing fleet petroleum use.
- Reducing pollution and greenhouse gas emissions.
- Reducing use of toxic chemicals.
- Increasing energy efficiency of county buildings and facilities.

The SL-Green Team goals are to:

- Lead by example and take kuleana for malama aina.
- Manage resources properly-waste, water and energy.
- Realize cost-savings through proper resource management.

The Staff-level Green Team currently includes the following members:

- Allison Fraley, Solid Waste Program Development Coordinator, Public Works
- Ben Sullivan, Energy Coordinator, Economic Development
- Glenn Sato, Sustainability Manager, Economic Development (retired 12/14)
- Shelley Teraoka, Administrative Specialist, Housing Agency
- Leanora Kaiaokamalie, Planner, Planning Department
- Mary Daubert, Public Information Officer, Office of the Mayor
- Eddie Topenio, Administrative Assistant to the Council, County Council
- Mandi Swanson, Specialist IV, Information Technology
- Emily Medeiros, Recycling Specialist, Public Works
- Julie DeMond, Office of the Prosecuting Attorney
- Jason Kagimoto, Public Works Wastewater Division
- Ruby Pap, Planner, Planning Department

The hope is to add new members as we progress and interest grows in making county operations more sustainable.

The SL-Green Team selected the following projects to work on this past fiscal year to improve county operations. These projects were selected because of particular interest from members, potential impact on county operations, and the ability to advance these initiatives with little or no funding.

1. Green Motor Pool: Continuing with progress from last fiscal year, the Green Team has supported the expansion of the Green Motor Pool with a 6 month, 40 vehicle pilot that was initiated by the Energy Coordinator and Finance Department in February of 2015. The pilot was highly successful, with hundreds of employees using the shared vehicles and valuable data on vehicle usage being collected. The Green Team assisted the pilot by learning how the system worked and sharing information with fellow employees in their respective departments, this sharing was essential to facilitate employee acceptance and avoid the normal resistance to change that any new initiatives often come with.
2. Green Government Challenge: The County's 1st annual Green Office Challenge, a friendly competition open to offices at all county facilities, ran from June 3, 2014 to November 25, 2014. It is designed to provide opportunities for more than 1,000 employees in the County to take an active role in creating a greener and more sustainable county government and community by improving their operation's energy efficiency and resource sustainability actions. The competition is also meant to impact their personal lives by learning how to be more sustainable, environmentally-conscious and to contribute to the island's overall sustainability.

The 1st year of the challenge was very successful, with teams competing from 5 agencies across the County. In the spring of 2015, the County Green Team has

adopted the 2nd annual Green Office Challenge based on lessons learned and is seeking to improve participation by at least 30% and to use the Challenge to increase employee awareness of the Operations Sustainability Plan. The Plan calls for a dramatic reduction in greenhouse gas emissions by County government in operations. The County has pledged to strive to achieve an 80% reduction of carbon emissions by 2023, as compared to 2007 levels.

3. **Paper Usage Tracking in County Offices:** The Green Team began the development of a paper use tracking system for County offices in FY '15. With the help of the IT department, the Green Team was able to establish a system for capturing usage data from all multi-functional printers at County facilities. In FY '16, the team will be making improvements to this system and hopes to establish a regular reporting system that can be shared across all departments to enable offices to see and respond to their paper usage.

Hawai'i GREEN GROWTH / THE ALOHA + CHALLENGE

Hawai'i Green Growth (HGG) is a voluntary partnership of more than 50 state, county, federal, business, and non-governmental leaders from energy, food production, natural resources, waste reduction, planning, green jobs, education and other sectors who have come together to support a shared statewide commitment and tangible actions towards sustainability and a model green economy. The HGG Measures Start-up Project was launched in collaboration with the State Sustainability Coordinator to help the State of Hawai'i develop sustainability measures to track progress on the initial six HGG and Aloha + Challenge targets with the intention of the laying the foundation to add more as they are ready. The project will also establish the framework for a statewide sustainability network and help to strengthen county-based action networks, which will be the key to implementation of the Aloha + Challenge. The Kaua'i County Sustainability Manager is a member of the core planning committee.

The Aloha + Challenge defines six sustainability targets for Hawai'i to reach by 2030 in clean energy, local food, natural resource management, waste reduction, climate resilience/smart growth and green jobs. These targets were developed collaboratively by lead State agencies with key private partners and endorsed by HGG members and build upon the work done by dedicated people across the state. The Governor has invited the Mayors and elected Chair of the Office of Hawaiian Affairs to make a joint commitment to the Aloha + Challenge both locally and internationally.

D. Program Measures – Accomplishments / Evaluation

	FY 14-15 Estimated	FY 13-14 Actual	FY 12-13 Actual
Program Funding	\$130,000	\$122,336	\$135,731
County Operations internal sustainability initiatives	4	4	6
Sustainability Presentations	8	7	8

E. Budget (General Fund)

Description	FY 2015 Appropriation	FY 2014 Appropriation
Equivalent Personnel (E/P)	1	1
Salaries, Wages & Benefits	\$151,695	\$157,892
Operations	\$55,335	\$27,336
Equipment	\$0	\$0
Program Total	\$207,030	\$185,228

FILM COMMISSION

A. Objectives

The Kauai Film Commission (KFC) works with film, TV and other entertainment production companies, producers, writers and directors worldwide to encourage them to bring projects to Kaua'i, by resourcefully explaining the benefits and positive experiences they will receive, and then helps to assure their success. Concurrently, KFC works to support the diversity of resources that make Kaua'i an attractive filming location including the scenic environment, visitor industry, cultural heritage, and aloha spirit.

1. Utilizing existing marketing campaigns and collateral, the KFC continues its on-going marketing efforts. KFC has simultaneously reviewed and developed a potential updated marketing plan that is currently underway to update and leverage existing resources and relationships.
2. The Film Office works directly with location managers, producers, directors and industry decision-makers to consider and develop new locations and incentives for filming on Kaua'i.
3. Works directly with producers filming on Kaua'i to assure that their needs are met and that the community and environment are treated with respect and are protected.
4. Works with the community to assure both the economic well-being of local film industry resources and production success.
5. Monitors the technology trends in production and film to help further establish Kaua'i as a technological asset to filmmakers, as well as help to assist the island's infrastructure to better support production.

B. Highlights

FY 2015 began July 1, 2014 and ended June 30, 2015. During this period, there were many and various film productions produced on Kauai.

There were a total of 30 productions on Kaua'i in FY 2015 which generated \$3,069,500 in local expenditures. It also created jobs for 142 local hires which had 304 shooting production

days. This included the following: Television Show/Series (11), Commercial/Print Ads (10), Music Videos (1), Documentaries (7), and, Travel (1).

C. Activities

FILM PRODUCTIONS

Feature Films (0)

Jurassic World

Although Jurassic World production on Kauai wrapped up in June 2014, a private screening, by-invitation only event of the movie was screened on Kauai in June 2015. The movie amassed one of the largest ticket sales worldwide which raised interests by Universal Studios/Legendary Pictures to plan for a Jurassic World sequel or its 5th franchise in the Jurassic Park series in the near future.

Television Shows; TV Reality Shows and Music Videos (11)

TV reality shows are still the trend with various types of shows including NatGeo's (National Geographic Television) "Aloha Vet" which filmed on Kauai for 3 months covering the day-to-day work of Kauai veterinarian, Dr. Scott Sims who unfortunately passed away soon after "Aloha Vet" aired on NatGeo. Another big production was NBC TV's reality show, "The Biggest Loser" with Kauai expenditures of \$400,000, including 24 local hires and a total crew of 90; "A Sale of Two Cities" by Wonder of World production; four HGTV's Hawaii Life reality show which returned to Kauai for its 5th time in 3 years;

Commercials / Print Ads (10)

Commercials and print ads included TV commercials for Hawaiian Airlines' Master Card; still and video TV commercial of "Eddie Bauer" lifestyle wear and products which spent \$850,000 on Kauai and a TV commercial for HMSA. Hawai'i Visitors and Convention Bureau's Hawaii promotional video, "Let Hawaii Happen" spent \$600,000 for 3 days of filming on Kauai with a production crew of 50 that included 27 Kauai residents hired for the video production.

Documentaries (7)

Documentary productions included, "Awesome Planet", an earth-science TV show.

Travel (1)

"The Trip 2015" captured scenes of Hanalei Bay as part of this production by High Noon Entertainment.

Digital / Internet / Others (0)

MARKETING STRATEGY

The Kauai Film Commission, administered within the County of Kauai Office of Economic Development, has focused its efforts on attracting a larger number of smaller commercial productions and independent films as well as feature films; reality shows and travel-related television shows which help promote Kauai as both a viable filming and travel destination. From infomercials and music videos, industrial films to commercial advertising films and still photo production, the film industry continues to infuse millions of dollars into Kauai's

economy each year which included 142 Kauai residents employed in this sector out of a total crew of 363 professionals. This equated to 40% local hires. The remaining 60% or 221 production crew who came from off-island stayed in accommodations, rented vehicles and production equipment, bought food and beverages, entertainment and souvenirs and, indirectly served as representatives of the industry to the local community in addition to generating tax revenues for the local Kaua'i economy. With the 5% increase in tax incentive in 2013, KFC and other Hawai'i film commissions continue to promote the added incentive to filmmakers in future sales and marketing campaigns.

PRINTED MATERIALS

The Film Office utilized a "Movies Made-on-Kaua'i" information piece, a location photo brochure and Hawai'i Production Index in print format which is now available on a CD version. These are distributed at various film industry trade shows and film-related events that Kauai Film Office staff give to contacts with industry professionals and decision-makers.

The *Kauai Movie Book* which was first published in 1996, was updated as The New Kauai Movie Book in 2013. The book chronicles Kauai's more than 80 years of history with Hollywood movies and filmmakers dating back to the first film, "Cane Fire" in 1933 to the most recent, "The Descendants" in 2010. The book was written by former Kauai resident, Chris Cook. Late Kauai photographer, David Boynton featured stories and photographs of many Hollywood movies filmed on Kauai. The books are provided as gifts to visiting and working filmmakers, and at film events, as well as mailed to potential filmmakers requesting information to film on Kauai. The book is available for purchase at book stores and gift shops on Kauai.

AFCI (Association of Film Commissioners International)

LTS (LOCATION TRADE SHOW)

Kaua'i Film Commission is a member of AFCI, which is a global organization of certified commissioners with more than 300 film commissions in six continents. KFC attends and participates in AFCI-sponsored and AFCI-related events which organizes workshops, seminars and panel discussions to assist film commissioners in order to become more successful in marketing their film locations and to help increase film activities in their respective jurisdiction. One of AFCI's signature events is the annual Location Tradeshow (LTS) in Los Angeles which features hundreds of film commissions and film-related businesses to showcase and promote their locations and film products to thousands of film producers from around the world.

The last two AFCI LTS were held at a hotel venue, Century Plaza Hyatt in Beverly Hills. In the previous two years, LTS were held at downtown Los Angeles Convention Center and before that for decades, at Santa Monica Civic Auditorium in April. The turnout for the 3 day event at the hotel was much better than in previous years, most likely due to the venue where it's convenient and closer to major film studios and production offices.

During the 5 days in Los Angeles for LTS 2014, Hawaii's five film commissioners, collectively and individually, made sales calls and courtesy visits to many film studios and production offices to promote our respective film locations in order to promote the 5% increase in the State of Hawaii Film tax incentive which became law in June 2013 as an incentive to film.

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During LTS, Hawaii's film commissioners were invited and attended Location Managers Guild of America's award ceremony at the Writers Guild Theater in Beverly Hills which was attended by Hollywood's top location managers who attended the awards ceremony and reception.

WEBSITE

The Kauai Film Commission website www.filmkauai.com serves as a key resource and contact point for filmmakers seeking information about film locations on Kauai. Currently, KFC is updating its resource database with new film-industry professionals on Kauai in addition to an overall fresh and revamped website as an invaluable and convenient on-line resource.

MEDIA

Kaua'i Film Commission provides film-related news and information to the media via press releases through County's Public Information Office.

KFC also collaborates with Kaua'i Visitors Bureau (KVB) to produce ad campaigns and media blitz events with movies made-on-Kaua'i as themes including 50th anniversary events for "South Pacific" and Elvis Presley's "Blue Hawai'i" and, most recently, "Jurassic Park".

KFC also worked with KVB to celebrate 100 years of Hollywood film production in Hawai'i with an advertising campaign in a major film-trade magazine in Hollywood.

KFC also collaborated with KVB for preparing and hosting movie premieres on Kauai in the past including, "Tropic Thunder"; "Soul Surfer"; "Just Go With It"; "Pirates of the Caribbean: On Stranger Tides"; and "The Descendants".

KFC and KVB again collaborated for the Kauai premier of Universal Pictures' "Jurassic World" in June 2015. KFC assisted KVB with Hollywood press and local media to receive maximum coverage for Kauai's film event to be disseminated to the global audience. Additionally, while in Washington D.C. for the second Hawaii On the Hill 2015, Mayor Carvalho attended the D.C. private screening of the film in addition to welcoming everyone at the screening, including inviting attendees to visit Kauai.

SOCIAL & BUSINESS MEDIA

In 2012, the Kaua'i Film Commission (KFC) Facebook was created. It continues to inform film industry specialists and the general public of on-going and current film-related news and information. Facebook has become a reliable, efficient and no-cost business media network which helps promote Kaua'i's film industry and locations. KFC is considering including other social/business media networks in the near future such as Instagram, Pinterest, Twitter and others to provide better and faster film information access to potential filmmakers, especially to highly-digitized filmmakers. All information on Facebook and other social/business media network is reviewed and inputted by Public Information Office in the Mayor's office.

FILM OFFICES OF THE HAWAIIAN ISLANDS (FOHI)

Kaua'i Film Commission which operates out of County of Kaua'i Office of Economic Development, works in conjunction with city and county film offices on Oahu, Maui and Big Island, as well as Hawai'i State Film Office at (DBED&T/Creative Industries) and operates as a consortium as the Film Offices of Hawaiian Islands (FOHI).

FOHI was well-represented at the AFCI Location Trades Show. The Hawaii International Film Festival (HIFF) has conference calls with FOHI to discuss film production updates, trends, and challenges. FOHI is constantly finding new ways to attract filmmakers to shoot their productions in Hawai‘i through collaborative ad placements in major film trade publications, sharing and reducing costs to market Hawaii’s film locations and resources to the global market.

FOHI is comprised of:

- Donne Dawson - State Film Commissioner since 2002.
- Benita Brazier, former long-time Maui film commissioner, is now a film specialist in the State Film Office
- Walea Constantinau of Honolulu Film Office
- Randy Francisco of Kauai Film Office
- Tracy Bennett of Maui Film Office
- Big Island Film Office is currently with an interim film liaison, and possibly recruiting a new commissioner

Hawaii International Film Festival (HIFF)

HIFF executive director, Robert Lambeth, a former Kauai resident who worked as coordinator for HIFF ten years ago, succeeded long-time director, Chuck Boller in 2013. Kauai is looking forward to a renewed interest and support in hosting HIFF for many years to come. Kauai Film Commission supports HIFF to help bring quality features and independent movies from around the world, especially for the Pacific Rim and Asian countries to be screened on Kauai. A weekend film festival will take place in November at 3 locations throughout the island including partners: North shore/The Westin Princeville Ocean Resort Villas, Central/Kauai Community College Performing Arts Center and West Kauai/Waimea Theater.

Legislative Activity

The Hawaii State Film tax credit increased from 15% to 20% on O‘ahu and 20% to 25% for the neighbor islands in April 2013.

Filmmakers of Kaua‘i

Kaua‘i has a growing number of elementary, middle and high school students as well as college students studying film and digital media technology. The community is already decades into the digital age. The present and future of the industry is dependent almost entirely on a facility.

Kaua‘i has young brilliant, innovative and progressive minds and creative artists and talents who need the Kaua‘i Creative Technology Center (KCTC) to be built so that students and other filmmakers can expand their education and hone their skills to succeed and sustain themselves as future filmmakers in this competitive world. KCTC, although not a sound stage or film studio is a first step to develop a viable ‘film business industry’ facility on Kaua‘i where professionals and visiting film crew can incorporate the facility to do pre- and post-production work while filming on Kaua‘i as well as create a professional working environment for Kaua‘i’s film industry specialists to learn and improve their skills

The center will also provide incredible hands-on opportunities for the growing number of students studying film and digital media in schools. “Filmmakers Bootcamp” is a professional

filmmaker's training and workshop for Kauai's youth ages 12-17 to help young filmmakers develop skills to work in the film industry. The workshop is produced by Above Moon Productions from Kauai with veteran filmmaker, Edwin Sawyer and his production crew as hands on instructors. It will also provide great synergy for industry professionals to share their skills with Kauai's developing young professionals as well as the general public.

D. Program Measures – Accomplishments / Evaluation

Film Commission program measures are based on economic impact and jobs creations which are tracked on a Fiscal Year_(FY) basis. The statistics were accumulated from film permits issued by State and County of Kauai.

Description	FY 2015 Actual	FY 2014 Actual	FY 2013 Actual
Economic Impact	\$3,069,500	\$4,873,800	\$256,000
# of Film / TV projects	30	24	31
# of Shoot Days	304	188	318
# of Jobs (Kauai hires)	142	122	54

The breakdown for all film, video and still photo shoots during the course of the year as follows:

Type of Production	US	Japan	Europe	Australia/Canada	Total
Feature Films	0	0	0	0	0
Television Shows / Series	11	0	0	0	11
Commercials / Print Ads	9	1	0	0	10
Music Videos	1	0	0	0	1
Documentaries	7	0	0	0	7
Travel	1	0	0	0	1
Sports	0	0	0	0	0
Digital / Internet / Other	0	0	0	0	0
Total	29	1	0	0	30

E. Budget (General Fund)

Description	FY 2015 Appropriation	FY 2014 Appropriation
Equivalent Personnel (E/P)	1	1
Salaries, Wages & Benefits	\$88,622	\$92,941
Operations	\$22,438	\$26,808
Equipment	\$0	\$0
Program Total	\$111,060	\$119,049

WORKFORCE INNOVATIONS & OPPORTUNITIES ACT (WIOA) formerly WIA

A. Objectives

In 1998, President Clinton signed into law (PL 105-220) the Workforce Investment Act of 1998 (WIA) to stimulate local areas' strategic redevelopment and improvement of local workforce systems, while also amending the Wagner-Peyser Act of 1933 (WP) by integrating its Employment Service labor exchange activities into the One-Stop Career Center delivery system of WIA. Reauthorization of the Workforce Investment Act has been pending since 2003.

On July 22, 2014, President Obama signed into law the new WIOA Act – Workforce Innovations and Opportunities Act (PL 113-128) superseding the old WIA Act of 1998.

Since the initial Act's inception, the four counties in the State of Hawai'i have been designated as the local area One Stop Operators by the Governor, and as a result, receive Federal Workforce Investment Act (WIA) and now Federal Workforce Innovation and Opportunity Act (WIOA) funds from the U.S. Department of Labor (USDOL) through the State of Hawai'i's Department of Labor & Industrial Relations (DLIR) Workforce Development Division (WDD) which administers the program. Starting July 1, 2015, the new Workforce Innovations & Opportunity Act (WIOA) is in transition phase and is now being enforced.

ADULT & DISLOCATED PROGRAM

The ***WIOA Adult Program*** assists adults in obtaining the skills necessary to secure and retain employment and move toward self-sufficiency. Three levels of service are provided under the "One-Stop" system framework: core services, intensive services and training. The type and duration of service is determined based upon the individual job seeker's specific needs and is then defined in the individual employment plan (IEP) developed by the case manager.

The service population priorities are aligned with the overall State WIOA plan with focus on low-income individuals, including migrant and seasonal farm workers, public assistance recipients, minorities, women, veterans, older workers (retirees), ex-offenders, and individuals with multiple barriers to employment.

The ***WIOA Dislocated Worker Program*** provides job search, training and placement assistance to individuals who have been terminated or laid off from employment, are collecting unemployment insurance, or are displaced homemakers. As with the Adult Program, dislocated workers may access a range of services depending upon the individual's needs and employment objectives.

WIOA YOUTH PROGRAM

The ***WIOA Youth Program Services*** continue to be provided through a contract with Paxen Huli Ke Alo LLC. From December 2011 through June 30, 2012 funds from both PY 10 and PY 11 overlapped due to the contracting delays in implementing 2010's contract. Even with overlapping funds, it was extremely challenging for the Paxen to budget sufficient funds to cover overhead and program costs. Paxen decided to operate without an office location and

instead, met with participants for classes in the 3 high schools and numerous neighborhood centers, and one-on-one at various libraries around the island.

Since 2013 to present, Paxen relocated to the WorkWise Kauai office on a part-time basis to aid in youth support services to the community. The services provider is now going through a new contract period under WIOA because of their great services in the community.

EDUCATION

An increase in participant enrollment is mostly due to the Waialeale Project, Ho`owaiwai Scholarship Project and a C3T program called: “iCAN” at Kaua`i Community College [focuses on first-in-family to attend college, single mothers, others with barriers to education].

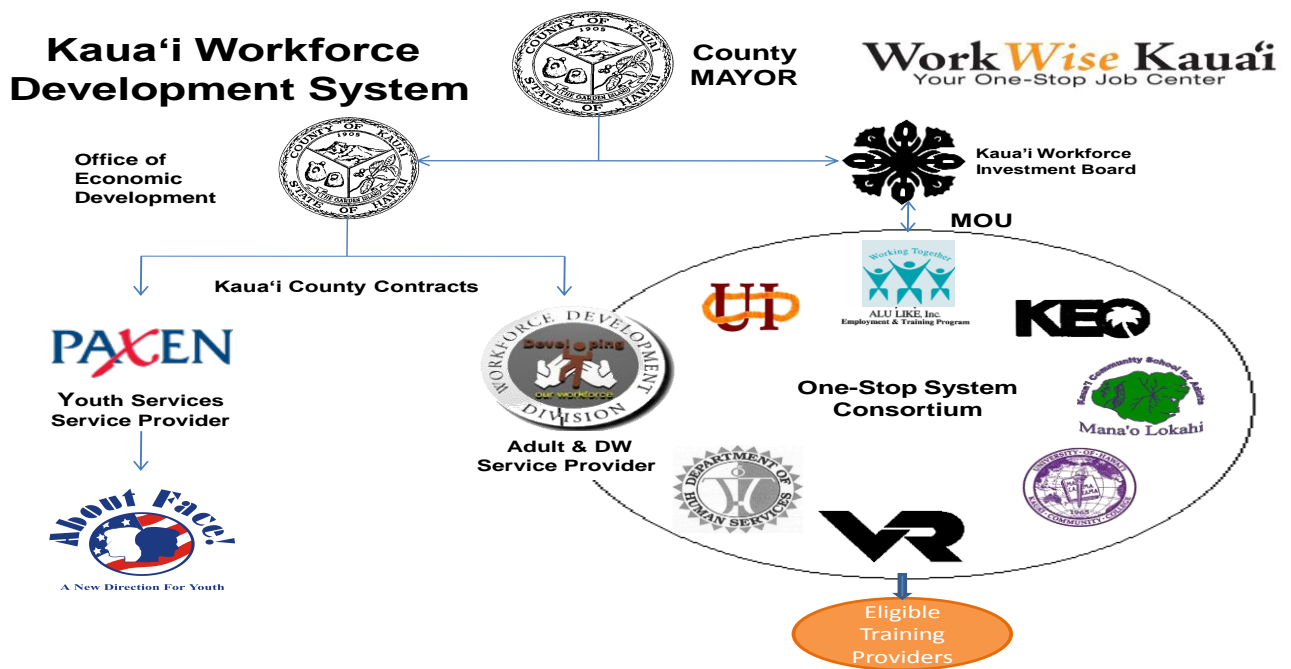
The WIOA Services Chart shows substantial progress in the Adult, Dislocated Worker and Youth Services Programs for PY 13 and PY 14.

ONE-STOP OPERATOR

The County of Kaua`i is designated as the local area One Stop Operator by the Governor, and as a result receives Federal Workforce Innovation and Opportunity Act (WIOA) funds from the U.S. Department of Labor (USDOL) through the State of Hawai`i’s Department of Labor & Industrial Relations (DLIR) Workforce Development Division (WDD) which administers the program.

As a One Stop Operator, the County of Kaua`i Office of Economic Development (OED) is responsible for:

- Local administration of the three WIOA programs that focus on employment and training, through two service provider contracts:
 - Adult and Dislocated Workers served by the State DLIR Workforce Development Division (WDD) housed in the WorkWise - Kaua`i One-Stop Job Center.
 - Youth served by Paxen Huli Ke Alo, LLC.
- Oversight of “WorkWise – Kaua`i One-Stop Job Center,” along with a consortium of mandated community partners receiving Federal WIOA or related employment and training funds as shown in the diagram on the following page.
- Oversight of the mandated Kaua`i Workforce Development Board (KWDB).



B. Highlights

WORKFORCE DEVELOPMENT BOARD

The new streamlined 25-member volunteer Kaua'i Workforce Development Board (KWDB) under the new WIOA Mandated Act of 2014 is charged with policy and planning responsibilities and operates as a forum where business, government, labor, education, community-based organizations and the public work together to create an integrated market driven workforce system which sustains Kaua'i's economic growth and competitiveness by addressing the needs of employers seeking qualified workers, as well as the needs of eligible island residents for training to develop in-demand skills for current and future employment opportunities.

In cooperation with the Mayor, KWDB sets direction for workforce development utilizing as its foundation, the KWDB Strategic Plan, as well as the Kaua'i's CEDS Report, a prioritized set of EDA-eligible projects that reflect the needs expressed by stakeholders in the community.

Through collaboration, these volunteers provide leadership and help carry out the Board's mission to continue to:

"Ensure Kauai's workforce is prepared with needed skills and talents to develop a flourishing business community."

YOUTH COUNCIL REORGANIZED

After being inactive for three years, the Youth Council began meeting again in December 2010. Key youth service provider representatives were invited to become members and those responding to the challenge are highly motivated and excited about the opportunity to collaborate to benefit our Kaua'i youth. Re-establishing the Kaua'i Youth Council fulfilled one of the key recommendations made in a WDC staff report in February 2011 assessing the condition of the youth programs in Hawai'i. Continuing in the initiative in PY 2013-14, is the

Youth Council Chair, Leialoha Sanchez, a Prevention Coordinator from YWCA. With her cultural style teaching in this leadership role, the revitalized Council committed to many activities in the community that supported a myriad of community services.

Some of the recent initiatives of the Youth Council were to seek and apply for grants from Federal, State and Local arenas. Grants would help to increase dwindling youth program funding that's needed to help expand youth services in the Kaua'i and Ni'ihau communities.

Since the beginning of the new WIOA Act of 2014, the Youth Council continues to play a major role merging with the KWDB as a committee of volunteer youth service providers. It is comprised of strong community members with diverse expertise and resources relating to youth and is tasked with building a comprehensive infrastructure and program designed to provide quality services for Kaua'i's youth. The current Youth Council Committee is seeking new volunteers to join their community endeavors.

KWDB Board of Directors along with the Youth Council Committee, Consortium of community partners; contracted service providers: *WorkWise* Kaua'i and staff along with PAXEN-Huli Ke Alo Inc.; and the County of Kauai's KWDB Executive Director/WIOA Administrator work together to achieve the program objectives that support the economic development of Kaua'i through the workforce development system.

PROGRAM INFRASTRUCTURE

In 2011, Congress significantly reduced the amount of funds that States can withhold for administrative use which is now beginning to have a significant impact on the State of Hawai'i Department of Labor and Industrial Relations since all of its administrative staff associated with WIA have been paid directly with WIA funds. The DLIR attempted to secure temporary funding from the 2012 State Legislature, as well as sought a correction to the interpretation of the Congressional action but both efforts were not successful.

The WDC Executive Director resigned his position as of September 30, 2012 and the oversight of the State WDC was absorbed by DLIR Administrative Workforce Development Division (WDD).

In the Spring of 2014, DLIR Workforce Development Division continues to propose consolidating all delivery of WIA programs under a single State Board which will mean eliminating the Counties as the one stop operators on the neighbor islands. To date August 2014, this decision has not come to fruition. Kaua'i County still remains as a designated One-Stop Center.

In June 2014, a new interim WDC was selected to head the Workforce Development Council. Leslie Wilkson from Maui's Economic Development Board filled that position for the first time.

In July 2015, potential WDC Executive Director Candidates was interviewed and later Allyson Tasaka was hired for the position and started on August 20, 2015. Tasaka is now in the process of hiring two more WDC staff members.

KWDB

After 5 years of service, Steve Lupkes, BASF Plant Science Research Station Manager, resigns from the Board Chair position. Recently nominated and then elected as the new leader and chair of the KWDB Board is Ms. Leialoha Sanchez. The Board continues to partner with other organizations and agencies whenever possible in planning programs and events to maximize use of all of our resources to benefit the Kauaʻi community and to minimize duplication of effort. Collaboration is our strength.

2015 Officers elected to the board are:

Chair	- Leialoha Sanchez – YWCA, Prevention Coordinator
Vice Chair	- Bobby Ayonon – Kauai Air Conditioning & Refrigeration, CEO
Secretary	- Bricen Moritsugu – HUD Housing Family Coordinator

C. Activities

JOB FAIR

The County of Kauaʻi, Kauaʻi Workforce Development Board and WorkWise Kauai, is continuing to collaborate and host the Kauaʻi's island-wide Annual Job Fairs that is being held at the County's War Memorial Convention Hall in Lihue. Various Kauai businesses represent a cross section of industries including government, healthcare, the major resorts, rental car agencies, financial services, retail (soft goods, hard goods, and grocery), food service and agriculture.

With the drop of the unemployment rate on the island, approximately 400+ job seekers are anticipated to attend. Many come well-prepared in suitable work attire and with a supply of resumes. The Job Fair is always a very successful event!

CAREER EDUCATION

As a continuing collaborative effort, the staff of WIOA and WorkWise Kauaʻi, along with numerous KWDB members continue to volunteer many hours during the year to **support career education programs at our schools** including: speaking at career awareness events, as well as conducting resume writing and interview preparation workshops, conducting mock interviews, and judging senior projects. These activities are vital to help bring the real world of work to our students, as part of the Board's effort to "Grow Our Own Talent."

US CENSUS - Grant Writing Services

An open dialog and continued collaborations with Papa Ola Lokahi Foundation and the US Census office proved to be fruitful. The US Census California office along with the Washington DC office has managed to send to Kauai, knowledgeable specialists to assist grant writers applying for grant funding. The Kauai workforce Development Board along with Kauai Community College will continue to nurture this partnership with the US CENSUS.

SMALL BUSINESS FAIR

A newly created community service to help Kauaʻi Businesses succeed was first held on November 6, 2014 at the Kauai War Memorial Convention Hall-KWMCH. The First Kauai Fair welcomed Federal and State service provider vendors from: USDA Rural Development Agency, DBEDT, DCCA, HSBDC, and many more. Seven successful local business representatives were part of a panel discussion that shared how their businesses became successful on the island. These participating businesses were: Smith's Motor Boat Service,

Aunty Lilikoi, Waipa Foundation, Solemates & Hawaiian Checkers Company, Papalua Island Company, Founder: Kauai Marathon and the KAUAI JUICE CO...

The 2nd Annual Small Business Fair took place on September 10, 2015 at the KWMCH. Planning, coordination and successful implementation of the event and activity started with the OED Staff and KWDB Members introduced into the collaboration was Kauai Chamber of Commerce. \$5000 local grant funding was set aside for this activity to be used by the Chamber of Commerce grantee. The Committee developed the Fair with a Business after hour's extension of the Kauai chamber activities. A special agriculture business workshop was conducted by Lani Weigert of Maui's Alii Lavender Farms. Approximately 45+ people were in attendance.

The 1 ½ hour workshop was followed by another special presentation by Jen Chahanovich the new CEO of Wilcox Health.

The Business after Hours had numerous sponsors for the event including the Kauai Native Hawaiian Chamber of Commerce who donated a 2 night stay at the Cliffs at Princeville that was worth over \$500. The Kauai Filipino Chamber and many others also co-sponsored the event and donated a variety of door prizes. One of our biggest donations came from Mark's Place with \$2000 worth of pupus for the event. Koloa Rum donated their newest in Rum flavors.

As part of the event's activities, Bryson Victorino and his company called Valiant Road Productions made their debut by filming the Small Business Fair and interviewing participants.

We will be reviewing the results by the end of September 2015. The event itself was successful with 200+ people in attendance.

Despite the issues with extremely humid weather and the fact that the air conditioning compressor broken down, participants left the event happy with the information that they received. A post-SBF meeting summarizing the results is to take place on Sept. 23, 2015. One of the suggestions we already got was to make the event a "Zero-Waste" event that we will be taking into consideration for next time around.

D. Program Measures – Accomplishments / Evaluation

WIA/WIOA PROGRAM MEASURES

The three WIA/WIOA programs: Adult, Dislocated Worker and Youth Services programs must meet federally mandated performance measures including: entered employment, employment and credentials, six-month retention rate and six-month earnings change for Adult, Dislocated Worker, and Older Youth and skill attainment, diploma rate, and retention for Younger Youth. The State negotiates the desired performance levels for these core indicators with the U.S. Department of Labor for the State which has been applied to each County.

The goals were primarily based on past performance, regression targets, and continuous improvement objective. There were no major changes in the service delivery mix or economic conditions from the prior year. Although increased emphasis will be placed on assisting special populations such as veterans, recently released inmates, long0termed unemployed, and

foster care youth during PY14, the effect of their enrollment is unlikely to have significant effect on performance until PY15 and later.

State of Hawaii's Proposed Performance goals for PY2014

WIA/WIOAS Adult

- Entered Employment 65.0%
- Employment Retention 85.0%
- Average Earnings \$12,200

WIA/WIOA Dislocated Worker

- Entered Employment 78.0%
- Employment Retention 92.0%
- Average Earnings \$14,759

WIA/WIOA Youth

- Placement in Employment/Education 63.0%
- Attainment of Degree or Certificate 65.0%
- Literacy/Numeracy Attainment 44.0%

Wagner-Peyser


- Entered Employment 53.0%
- Employment Retention 82.5%
- Average Earnings \$14,000


ETA WIOA 9091 Annual – Local Performance

☐ Filter Criteria









Report Period: 2014

Region/LWIA: Kauai

	Measure	Customer Group / Region / Office	Total
	Total Participants	⊕ Adults	1,319
		⊕ Dislocated Workers	91
		⊕ Older Youth (19 - 21)	11
		⊕ Younger Youth (14 - 18)	59

	Total Exiters	⊞ Adults	1,141
		⊞ Dislocated Workers	52
		⊞ Older Youth (19 - 21)	1
		⊞ Younger Youth (14 - 18)	13

**Common measures are negotiated and agreed to by the USDOL and the State of Hawaii. Information can be found on the Workforce Development Council Website along with the State Plan and the County's Local Plan. See negotiated performance levels below:

	Measure	Customer Group / Region / Office	Negotiated Performance Level	Actual Performance Level
	Entered Employment Rates	⊕ Adults	65%	64.4%
		⊕ Dislocated Workers	87%	80.5%
	Retention Rates	⊕ Adults	85%	90.1%
		⊕ Dislocated Workers	92%	88.6%
		⊕ Older Youth (19 - 21)		79.4%
		⊕ Younger Youth (14 - 18)		64.4%
	Average Earnings	⊕ Adults	\$12,200	\$14,625.2
		⊕ Dislocated Workers	\$14,759	\$16,184.2
		⊕ Older Youth (19 - 21)		\$5,390.9
	Credential / Diploma Rates	⊕ Adults		38.2%
		⊕ Dislocated Workers		64.5%
		⊕ Older Youth (19 - 21)	100%	100%
		⊕ Younger Youth (14 - 18)		76.9%
	Skill Attainment Rate	⊕ Younger Youth (14 - 18)		93.8%
	Placement in Employment or Education	⊕ Youth (14 - 21)	63%	64%
	Attainment of Degree or Certificate	⊕ Youth (14 - 21)	65%	100%
	Literacy & Numeracy Gains	⊕ Youth (14 - 21)	44%	44.4%

Federal Funding Challenges

In summary, we continue to observe federal funding decrease over time. With the County of Kauai unemployment rate at an all-time low at 3.8%, we do not foresee receiving any additional funding in the near future.

The Kauai Workforce Development Board is in the process of seeking ways to open the door to more opportunities for our program participants. One of these ways is to possibly start a private non-profit organization to help with funding matters. On numerous occasions community members have wanted to donate funds for the youth services program. The non-profit organization would be able to assist the Board with non-profit program oversight and the intake of private funding sources. The Board is very optimistic with the new WIOA transitioning and its new members. Other alternative funding sources are being sought and reviewed. See budget charts below.

WIA Bulletin NO. 02-13, Change 1: Program Year 2013 Budget Allocations (07/31/13)

Local Area	Administrative Pool Funds	Youth Program Activity Funds	Adult Program Activity Funds	Dislocated Worker Program Activity Funds	Total Amount
KAUAI COUNTY	50,867	130,351	144,430	183,037	508,685

WIA Bulletin NO. 03-14: Program Year 2014 Budget Allocations (04/25/14)

Local Area	Administrative Pool Funds	Youth Program Activity Funds	Adult Program Activity Funds	Dislocated Worker Program Activity Funds	Total Amount
KAUAI COUNTY	36,131	109,071	117,455	98,675	361,332

WIOA Bulletin NO. 02-115: Program Year 2015 Budget Allocations (05/18/15)

Local Area	Administrative Pool Funds	Youth Program Activity Funds	Adult Program Activity Funds	Dislocated Worker Program Activity Funds	Total Amount
KAUAI COUNTY	32,096	100,186	100,365	88,333	320,980

IV. HOLO HOLO 2020 PROJECTS & STATUS

OED ADMINISTRATION

5. Island wide Shuttle Service

What started out as the Mayor's vision of a Ha'ena-Ke'e Beach Shuttle program that would work in collaboration with the State of Hawaii's "Ha'ena State Park Master Plan", has now evolved into several shuttle programs around the island of Kaua'i with the goal of reducing vehicles on the road, resolve parking issues and a reduction of imported fossil fuels.

Nalani Brun, OED Tourism Specialist and Celia Mahikoa, Director for the Transportation Department have worked tirelessly with the State of Hawaii - Department of Land & Natural Resources, their consultant, Kimi Yuen of PBR Hawaii and the Hanalei / Ha'ena community on the Ha'ena State Park Master Plan which was recently presented to the North Shore community.



- North Shore Shuttle

A Pilot Partnership Program – Partners led by OED and KEDB

Implemented the North Shore Shuttle Program to reduce vehicular traffic and parking in the Hanalei–Ha'ena areas including Ke'e Beach. OED organized and worked with a committee of Princeville to Ha'ena Resort General Managers and the business community to oversee and launch the North Shore Shuttle program which was started on October 14, 2014. Ridership steadily increased during the 6-month period, confirming the need for alternative transportation for serving the north shore. The Pilot Program ended in April 2015 which over 9,000 rides provided, of which 45% were residents of the North Shore community.



- **Royal Coconut Coast (East Kauai) Shuttle**
Although this project is on hold, the goal of the Royal Coconut Coast Association comprised of east Kauai business and resorts is to provide shuttle service that would benefit visitors staying in east Kauai hotels, condos and timeshares in traveling from their hotels to Wailua Golf Course, Kealia Beach and all points in between.
- **Koloa-Poipu Shuttle**
Like the Royal Coconut Coast, this program is also on hold. The ultimate goal for the Poipu Beach Resort Association is to provide a shuttle program that would reduce the number of cars parked along Poipu Road and provide a “park’n ride” for employees who work in the area.



6. Island wide Ag Park System

- **Kilauea Community Agriculture Center (formerly Ag Park)**
OED worked with the Kilauea Community Association and farmers to complete an Agriculture Park Plan. The Kilauea Agricultural Committee (KAC), has applied for and received a non-profit 501c3 status and has been renamed ‘Aina Ho’okupu O Kilauea (AHOK). The KAC applied for and received a State Grant-In-Aid of \$120,000 which will be used in part for a Strategic/Business Plan. The process of installation water meters, irrigation system and other permitting has begun. In addition AHOK has begun to develop the Ag Park Operations Plan (farmer criteria, selection process). The Operations Plan will commence once the Strategic/Business Plan is completed
- **Kalepa Ag Park**
The County is in support of the Kauai County Farm Bureau’s efforts in securing 68 acres of State – Agribusiness Development Corporation (ADC) lands in the Kalepa area. These lands are adjacent to the proposed County landfill.
- **Koloa Ag Park**
The Mayor and OED Director have been in communication with Knudsen Trust Land Manager, Canen Ho’okano on the possibility of creating an Ag Park just north of the Koloa Cemetery. The potential site is relatively flat, and has non-potable irrigation water from a nearby stream. Currently, land is being leased by cattle ranchers and has a forest of Albizia trees that need to be cleared.
- **Kekaha Ag Park**
The Mayor and OED Director have also been in communication with Landis Ignacio, Land Manager for the Kekaha Agriculture Association (KAA) who is responsible for the majority of farm land in the Kekaha area. Both Mayor Carvalho and the KAA are interested in having a formal Memorandum of Understanding where the County would provide morale support for the project. One of the ideas currently being considered is moving the Kekaha Sunshine Market closer to the proposed Ag Park where farmers would have an easier time in bringing product to market.

TOURISM / CULTURE / FESTIVALS & EVENTS

7. Restore / Preserve Cultural Sites

As part of Mayor Carvalho's Holo Holo 2020 program, the Mayor has expanded his vision on restoring cultural sites to the entire island of Kauai and provide support for Niihau. The main impetus is on the Kauai Nui Kuapapa program which divides the island of Kauai into traditional Moku or land divisions.

Kaua'i Nui Kuapapa (Kauai Place Names) – In 2014, Kaua'i Nui Kuapapa – “Talking About Our Island”, was finally launched. This is a program, with Phases I and II funded largely by the County and intended to encourage communities to learn place names and historical and cultural information of our island home as well as to encourage communities to take on the kuleana (responsibility) in their Moku and Ahupua'a areas first. This project is a sign that the Hawaiian Renaissance continues today as a new generation of leaders steps to the plate to help guide the future of our island. This program is designed to help bring forward, the knowledge of our kupuna to the present and future generations to use in real time efforts to restore and preserve Native Hawaiian practices.

Moku O Halale`a

- **Ke Ahu O Laka**
This area is a very special area and noted as the birthplace of hula in many legends. The Mayor recently signed a stewardship agreement with Maka`ainana `O Makana which is a group comprised of primarily of Hanalei and Ha`ena residents for care of this and surrounding areas. They now have official designation to be able access and care for a place that they have felt kuleana for their entire lives.

Moku O Ko'olau

- **Hokualele Heiau**
This is a Heiau that is partially on DHHL land and partially on DLNR lands. It is an unmapped Heiau but in excellent condition as it has been protected by a large canopy of Kukui and other trees. OED is working with the County Attorney's office to create an agreement for the administration to sign between the three government entities to restore this area under the guidance of a non-profit cultural restoration group that will allow the 'ohana tied to this Heiau area to lead the efforts.

Moku O Puna

- **Kukui Heiau**
OED is working with the County Attorney's office to create an agreement for the administration to sign between the three government entities to restore this area under the guidance of a non-profit cultural restoration group that will allow the 'ohana tied to this Heiau area to lead the efforts.
- **Wailuanuiahoano Park & Cultural Sites**
This project is only in the conceptual stage, but early thoughts include a partnership with Hawaiian community groups, the State of Hawaii – Department of Land & Natural Resources (DLNR), who have oversight of this area to create a master plan to restore and care for the many sites in this area.

- Huleia River & Alekoko Fish Pond
OED is working with the group Malama Hule`ia to cooperate on mangrove eradication efforts which will make its way up the river to Alekoko for restoration of the fishpond itself.

Moku O Kona

- Kahua O Kaneioulouma
The administration has a Stewardship agreement in place at this location. Perimeter trees, shrubs and cactus have been cleared and expose one of the most extensive and pristine ancient Hawaiian villages in Hawaii. A security rock wall was built around the entire perimeter to show the boundaries, but more importantly keep the public away from removing rocks from this sacred area. Signage is being placed.
- Hanapepe Salt Pans
An ancient resource and practice of pa`akai (salt) farming, we are currently working with the landowner, State of Hawaii – Department of Transportation – Airports, State of Hawaii Department of Land & Natural Resources and the long-standing Hawaiian families that farmed for many generations to preserve this precious resource and educate the public.



8. Increase commerce in towns across the island by maintaining unique character

- HTA / County Special Events Grants
OED Tourism Specialist works with various community organizations to do an RFP and provide financial assistance through HTA and County grants for festivals, events and projects that promote the culture of each unique community. These events bring both visitors and residents to the towns they are located in.
- Kapaa Town First Saturday
This event has grown immensely over the last 2-3 years. Kapaa Town First Saturday provides residents and visitors alike, a fun event to go to that has vendors selling Kauai-made and other products, delicious food and great entertainment. Support with logistics and some funding has been provided to this event.

- Lihue Food Truck Thursday
Another event that is the start of the Lihue Revitalization Plan. A new brewery on Kauai that features a “sidewalk café” atmosphere serving up delicious food from local food trucks. Logistical support has been provided to this activity.
- Lihue Town Rice Street Revitalization
An ongoing plan to provide more walking opportunities, as well as events during the weekends when businesses like banks, post office, State and County offices are all closed, creating a “dead zone” that will help support local businesses in the area.
- Hanapepe Friday Art Night
OED has been working diligently with the Hanapepe Economic Alliance and various businesses in historic Hanapepe Town to embrace the vendors during Friday Art Night. Like the Kapaa First Saturday, people respond to the appeal of a festival-like atmosphere. Although vendor’s products are inexpensive and appeal to a certain demographic, nonetheless, they bring people and activity into Hanapepe Town. It creates a “buzz” which can be contagious where other people talk about the event and their curiosity brings them into town.
- Waimea Town Walking Tour – The long-standing walking tour is very informative and a favorite of our visitors who stop at the Waimea Technology & Visitor Center before or after the trip up to the Waimea Canyon and the Koke`e State Park. They also provide lei making classes and cultural and visitor information for surrounding towns.

ENERGY

9. Electric Vehicle Charging Stations – completed in 2012

10. Increase Use of Alternative Energy Sources via implementation of Kauai Energy Sustainability Plan

- **Kauai LED Streetlight Retrofit**
Conversion of County Streetlights to LED
In 2015, County and KIUC worked together to select a vendor for the project. KIUC developed the new tariff and has recently submitted it to the Hawaii Public Utilities Commission for review and approval. Full scale implementation is anticipated to begin in FY 2015. At completion of the project, County electricity use for streetlights is anticipated to drop by well over 50%.
- **Lihue Wastewater Treatment Facility**
Development of County controlled renewable natural gas (RNG) resources
Cornerstone Environmental Group completed the first phase of the Renewable Natural Gas Resource Feasibility Study in February of 2015. This project has the potential to cost effectively reduce the amount of food waste going to the landfill as well as producing high value natural gas resources and other byproducts, by upgrading existing digesters at the Lihue Wastewater Treatment Plant and using them for codigestion of food waste and bio solids.
- **County of Kauai Internal Energy Efficiency Initiative**

Energy & Utility Management & Monitoring – Energy Office transitioned from our first generation cloud based energy monitoring system to a new system that incorporates more granular data now available from KIUC. Improvements to the energy management system will remain a high priority for the energy office in FY '15, as this is a key technology to enable various County Departments to take greater responsibility for their energy use.

Energy audits & retrofit planning at Police/Civil Defense and Civic Center Facilities

Energy Coordinator secured \$150,000 in grant funding from the UH's Hawaii Natural Energy Institute for an energy modelling project at the County's Kaana Street Facility. Kaana Street houses Police, Civil Defense, and the Office of the Prosecuting Attorney, and is one of the largest single electric meters in the County. This work is a follow-up to previous work done by HNEI at the facility. On completion of the analysis, County may implement several energy savings measures for the facility recommended in the work.

Additionally, Energy Coordinator worked with Building Division on the selection of a new high efficiency chiller for the Lihue Civic Center that we expect to be installed by the beginning of 2016. The new chiller plant is expected to save well over 100,000 kWh annually and to perform more reliably and with less maintenance than the current chiller plant.

Continued improvement to Departmental Energy Planning Program

Energy Coordinator worked with County Departments to continue developing Department level energy plans. These efforts are key to assisting the departments in achieving the Mayor's goal of a 30% reduction in energy use by 2023.

- **Kekaha Landfill Methane Project**

Gas Collection and Control System

Public Works – Solid Waste Division is moving forward with construction documents for the gas collection and control system (GCCS) for Kekaha landfill. Such a system will be required by EPA regulation within a short time. This system will allow County to utilize the landfill gas in one of a number of ways. (See next project listed here)

- **Kekaha Landfill Alternate Fuel Project**

Development of County controlled renewable natural gas (RNG) resources

Cornerstone Environmental Group completed the first phase of the Renewable Natural Gas Resource Feasibility Study in February of 2015. The feasibility study concludes that, based on current estimates of gas quality and quantity, the County can cost effectively utilize the available methane emitting from the landfill as a vehicle fuel for its fleet. Next step for this project is completion for the Gas Collection and Control System and testing of the gas to confirm quality and quantity. Once the results are available, County will be able to take the next steps on the project.

WORKFORCE DEVELOPMENT

11. Maintain educational activities/programs - Kauai In-Step Science Show & Robotics Program

The Office of Economic Development- WIA Administrator works closely with Mia Ako and the Kaua'i Economic Development Board as a member of the Education Committee that reviews, evaluates and awards grants to Kauai's schools and students in various projects. The County of Kauai supports the Kauai STEP, Aloha Ike and other STEM projects.

12. Kauai Community College extension of satellite campuses and degree offerings

The Office of Economic Development- WIA Administrator continues to work with Helen Cox, Chancellor and Bruce Getzan, Director of the Office of Continuing Education and Training- OCET at Kaua'i Community College. The college recently started OCET classes at the Hale Halawai Community Center in Hanalei bringing outreach education courses to the rural community on the North Shore for the first time.